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Moving Boston Toward the New Century: Making the City Work

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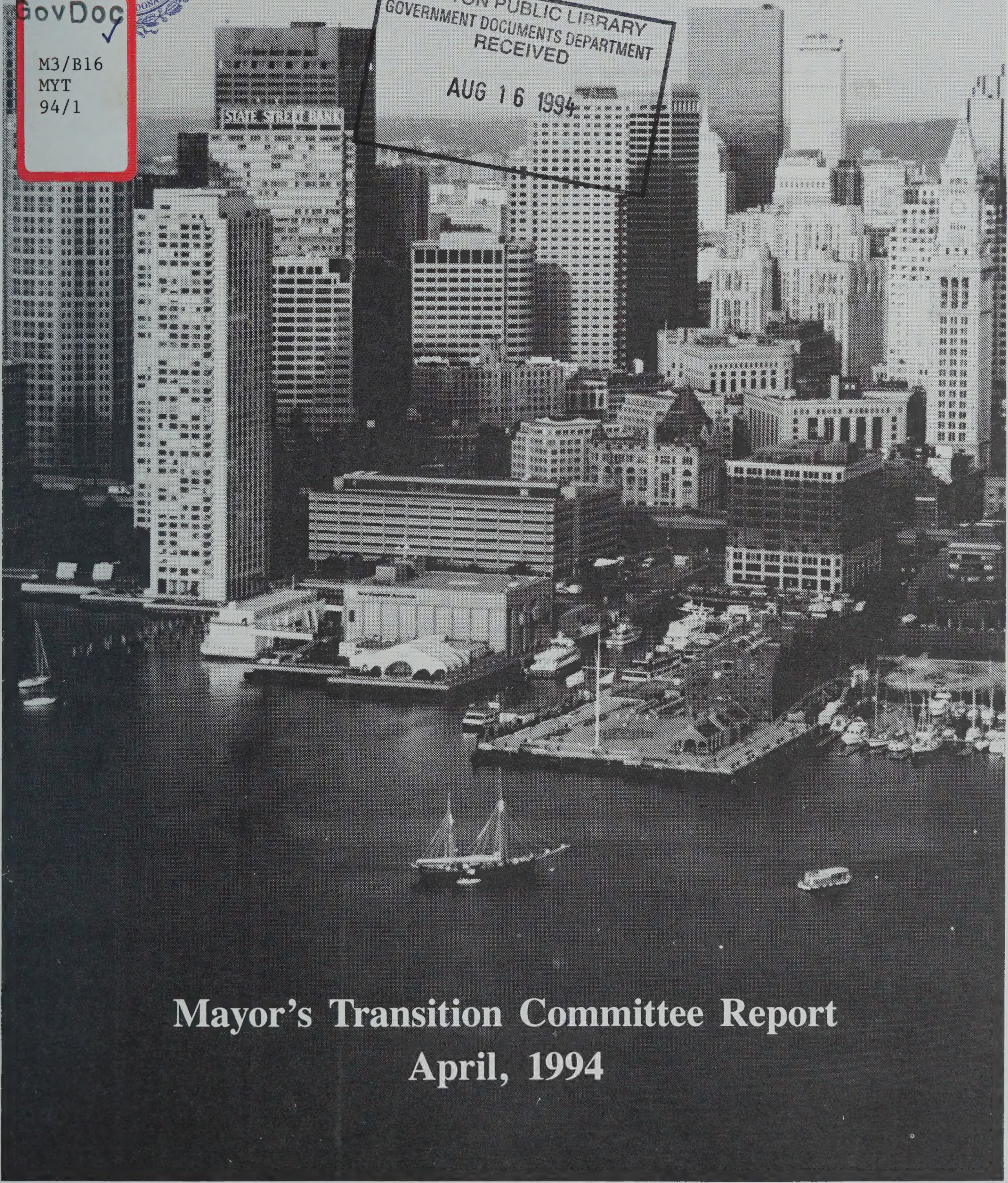

Mayor's Transition Committee Report

April, 1994

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**MAYOR'S
TRANSITION
COMMITTEE**

*Thomas M. Menino
Mayor of Boston*

*John P. White, Chair
Alyce J. Lee, Vice Chair*

April 11, 1994

The Honorable Thomas M. Menino
Office of the Mayor
One City Hall Plaza
Boston, MA 02201

Dear Mayor Menino:

On November 10, 1994, you formed a Transition Committee for your new Administration. The Committee was asked to conduct an audit of the City's operations in order to find ways to improve the delivery of government services and programs to Boston's residents and institutions. As the co-chairs of the Committee, we are pleased to present you today with the Committee's final report, "Moving Boston Toward the New Century: Making the City Work".

The Committee conducted a wide-ranging strategic audit of the City's operations. In that regard, we wish to thank the many private citizens, City employees, and members of your Administration who assisted us so generously in our efforts.

In summary, the findings from our efforts are two-fold. First, Boston's municipal government delivers an adequate level of services, despite handicaps, because of the large number of dedicated and capable employees. Second, there is the potential, under your leadership, for the City's government to deliver outstanding service to our citizens. We have provided a set of recommendations that are designed to assist you in meeting that goal. In fact, because of the close working relationship between the Committee and your Administration throughout the transition period, some of these recommendations have already been accepted.

This is our final report, but all members of the Committee will continue to support your on-going efforts to improve the City.

In closing, Mr. Mayor, we want to thank you for the opportunity to serve and trust that we have been responsive to your needs and those of the City.

Sincerely,

John P. White

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MAYOR'S TRANSITION COMMITTEE

EXECUTIVE SUMMARY

Introduction

On November 10, 1993, Mayor Menino announced the formation of the Transition Committee to review and evaluate the work of Boston's municipal government. The Mayor directed the Committee to conduct an audit of City operations in order to find ways to improve the delivery of government services and programs to Boston's residents and institutions.

The Committee consisted of a broad spectrum of citizens, including neighborhood activists, business leaders, and educators. The members were distributed among six Task Forces: Administration and Finance, Basic City Services, Economic Development and Housing, Education, Public Safety, and Youth and Family Services. In addition, a number of accounting, management consulting, and law firms offered to assist the Committee on a *pro bono* basis, including Anderson Consulting, Arthur D. Little, Coopers & Lybrand, Lehrer McGovern Bovis, McKinsey & Co., Monitor Company, and Palmer & Dodge.

The Mayor asked the Committee to use its mandate to examine the organization's performance, department by department, in terms of the quality, efficiency, and effectiveness of those municipal services, with a sub-objective of making recommendations which would reasonably guarantee improvements in city-managed public programs. The Mayoral review of these recommendations is currently underway.

Performance Audit

The performance appraisal revealed that Boston's municipal government generally delivers an adequate level of service to residents despite serious organizational, financial, and operational handicaps. This success is undoubtedly due to the large number of dedicated and capable City employees. But City workers and managers must often cope with insufficient funds, inadequate equipment, highly restrictive work rules, and escalating public demands for additional levels of services. In spite of these problems, most of the streets get plowed, the lawns in the parks get mowed, the police and fire departments respond to emergencies, and the City's books are balanced.

The Committee was struck, however, by the City's untapped potential to deliver efficient and effective service to its citizens. Many work rules and procedures appear duplicative and unnecessary. The organizational and personnel structures are rigid and fragmented. Interdepartmental communication and cooperation are rare. Planning and preventive maintenance activities are often sporadic. Tasks that could be automated are still performed manually. As a result, the productivity and quality of City services falls short of its potential.

More than any other factor, the Committee was dismayed by the lack of communication and cooperation among departments. There are more than fifty departments, agencies, and commissions in City government and most operate as semiautonomous units. They seldom share resources or information. City Hall has evolved into an organization divided into independent units, each with a tall fence around it and communication in and out is restricted at best, absent at worst.

The culture of City Hall is remarkably, but not surprisingly, territorial. Too often, departmental agendas are advanced without regard for, or in some instances in opposition to, citywide interests. Interdepartmental infighting occurs too often. As a consequence of these turf battles, the City wastes resources and is often unable to provide responsive services to the public.

The Committee was also struck by the City's lack of strategic planning. With the exception of the Capital Budgeting process, the planning function is largely ignored. As a result, most agencies have developed an operating style that favors reactive approaches to problem solving rather than anticipatory or preventive strategies.

In addition, the Committee identified a number of opportunities to apply computer and communications technology to enhance productivity and improve the quality of service. Although some departments have adopted advanced technology to automate processes, the distribution of computers and modern communications systems throughout the government is very uneven.

As the Committee evaluated the information gathered during the audit and prepared a set of recommendations for the Mayor's consideration, the following themes emerged:

- Boston's city government should be much more customer focused; the organization should openly and frequently ask the public what services or level of service do they want and are prepared to pay for and then shape the service and production processes to produce it at the lowest possible cost.

- City government should also be driven to provide the best possible individual and agency performance; employees should concentrate on results or outcomes rather than only on internal benchmarks such as conformance with procedures and budgets.

- The City should identify every possible means to improve efficiency; it should constantly examine its operations for opportunities to improve service.

- The City should capitalize on every opportunity to increase the productivity of its employees and assets including computer and communications technology, human and organizational development techniques, and competition.

- The City should develop the capacity to perform a meaningful level of strategic city planning to anticipate changing circumstances and problems before they occur.

- The City should try to instill a spirit of teamwork and cooperation into the organization.

Recommendations

We have identified several areas where reorganization, management attention, or new policy initiatives might produce savings or improvements in the management or administration of City government. The recommendations were deliberately limited to a set of organizational and operational improvements that can advance the reform process. Some of these suggestions can be implemented immediately (a few already have), while others will require several years to plan and enact. Although it will be necessary to realign many of the departments and programs in order to enhance productivity and efficiency, the Committee agreed that the Mayor and his senior advisors should design and manage that process. The Transition Committee further acknowledges that some of the recommendations listed below may not be adopted upon the subsequent review of the Mayor and his senior staff.

Cabinet-style form of government

- The existing organizational structure accommodates, and in some instances promotes, a fragmented, uncoordinated, and occasionally indifferent government that prevents the Mayor from delivering responsive and effective municipal services.

- The Mayor should adopt a cabinet-style organizational structure that aligns personnel and resources along functional lines and is administered by a Chief Operating Officer.

Administration and Finance Task Force:

- The Mayor should appoint a Chief Operating Officer (COO) to manage the routine operations of the government. The COO should report directly to the Mayor and be responsible for the activities of the Cabinet.

- The Mayor should appoint a Chief Financial Officer (CFO) to manage the City's financial functions. The CFO should be responsible for the administration and coordination of the Assessing, Auditing, Budget, and Treasury offices, plus ancillary functions that significantly impact City expenditures.

- The capital and operating budget offices should be combined into an Office of Budget Management. This arrangement will provide better coordination as well as more consistent and integrated policy direction.

- The CFO should establish an Office of External Funds. This office will consolidate the administration of external financial resources and provide assistance to other departments in the preparation of grant applications.

- The City's Bond Counsel should be selected by means of an open and competitive bidding process.

- There should be a comprehensive operations audit of the Workers' Compensation System to determine whether the City can improve its oversight of the program and, as a consequence, realize significant cost savings.

- A review should be conducted of the purchasing and procurement processes. A management consulting firm studied the City's electricity and motor fuel purchases and identified substantial cost savings. There may be additional opportunities for savings.

- The CFO should study the City's asset management program to determine whether there are opportunities to improve the cash position of the City and reduce its ongoing capital requirements.

- The Mayor should establish a "think tank", comprised of individuals from the academic, business, labor, and philanthropic communities, to study issues confronting the City and to suggest innovative solutions to address those concerns.

City Services Task Force:

- The Mayor should appoint a Chief of Basic Services who will be responsible for the management of all City facilities, including buildings, parks, roads, bridges, and other physical infrastructure and the delivery of essential basic services.

- The planning functions that are currently dispersed among various City agencies should be consolidated into a single agency, the Office of Planning. This Office would be placed under the jurisdiction of the Boston Redevelopment Authority.

- Technological innovations, such as ATM-like machines and 1-800 telephone numbers, should be utilized to make municipal services more accessible and convenient for Boston's residents.

- The Chief of Basic Services should establish an Office of Real Estate Management to be responsible for the management, maintenance, construction, and repair of all City-owned buildings and other costly tangible assets.

- The City should investigate opportunities for Boston to work with its regional city and town neighbors to improve service and reduce costs.

- The City should build public/private partnerships with corporations, not-for-profit agencies, and community organizations to improve the delivery of City services.

- The Chief of Basic Services should evaluate opportunities to inject managed competition into the City's service delivery program.

- Performance-based measurement standards should be introduced in all City agencies.

- The City should support the recommendations of the joint Commonwealth-City Beach Commission and attempt to form a financial partnership with the Commonwealth to fund the recommendations which would dramatically improve the beaches along Boston Harbor.

- A number of mandates have been established by the State Legislature that limit the City's abilities to manage its own affairs. The City should reexamine those initiatives and submit a package of proposed changes to the Legislature.

Economic Development and Housing Task Force:

- The Mayor should appoint a Chief Economic Development Officer (CEDO) who will be responsible for the development and implementation of a successful strategy that promotes the economic viability of the City, improves the climate for private investment in business and housing development, promotes and markets the City's competitive advantage, expands employment, and enhances the livability of the community.

- The CEDO should develop and implement a marketing plan for Boston that will promote the City's advantages in the national and international markets.

- The CEDO should create a Board of Economic Advisors comprised of leaders in business, labor, and community development. This Council will advise the Mayor on economic issues, monitor Boston's business climate, and evaluate the effectiveness of the City's economic development activities.

- The City should consolidate the planning functions that are currently dispersed among various City agencies into a single agency, the Office of Planning. This Office would be placed under the jurisdiction of the Boston Redevelopment Authority.

- The CEDO should develop a Neighborhood Consultation Plan within the context of the streamlining program. This plan would articulate and organize the community input process, as well as define each participant's role, responsibilities, and rights in the process.

- The CEDO should develop a Housing Policy for Boston. Some suggestions for this policy include establishing a Housing Assistance Office which would coordinate all of the City's housing functions, activities, and programs; explore the possibility of contracting to not-for-profit community organizations some housing programs, such as home buyer education; and develop a comprehensive and inclusive housing policy to guide the City's efforts.

- The City should develop a "team building" program for all City employees that would improve performance, clarify management expectations, and develop interdepartmental cooperation.

- The City should authorize and negotiate with the Boston Private Industry Council to administer the City's job training programs.

- The CEDO should create a Business Services Center which would provide assistance to local businesses on matters such as permitting, financing, and problem resolution.

- The CEDO should streamline the operations of the economic development and housing departments in order to expedite permit approvals, eliminate duplicative functions, and reduce costs.

Education Task Force:

- The Mayor should appoint the School Superintendent to serve as the Chair of the Education and Training Cabinet.

- The Boston Public Schools should immediately take whatever steps are necessary to fully implement School Based Management throughout the public school system. Principals should have authority over their schools' budgets, curriculums, personnel, and facilities. Existing administrative systems and procedures must be simplified to allow this program to succeed. In addition, current principals must be trained to be better managers and new principals must be recruited who can manage, cultivate instructional excellence, and serve as educational leaders in their communities.

- The collective bargaining agreements between the City and school system personnel should be focused on the real mission of public education -- teaching children. In particular, the contracts with bus drivers and custodians should be revised to support educational goals. If these bargaining units resist reforms, then the City should consider alternative arrangements of any sort in order to get the work done. The contract with the Boston Teachers Union should be revised to change seniority provisions and allow school managers more flexibility in personnel decisions.

- The Boston Public Schools should establish a system-wide set of competency standards. There should be curriculum standards for class offerings and student achievement measures required for graduation.

- The Boston Public Schools should implement a professional development program for all teachers that will promote system wide competency standards and instill an appropriate understanding about community diversity.

- The Boston Public Schools should improve its public information and parent outreach efforts to ensure clear, consistent, and timely communications and programs.

- The Boston Public Schools should implement the Citywide Youth Safety Committee's *Safe & Secure School Plan* with an emphasis on staff training and a violence prevention curriculum in all grades.

- The Boston Public Schools should implement the Superintendent's Revised Implementation Plan for Special Education.

Public Safety Task Force:

- The Mayor should appoint the Police Commissioner and Fire Commissioner to serve jointly as the Chairs of the Public Safety Cabinet.

- The Police and Fire Departments should evaluate whether there are opportunities to share resources. A few suggestions emerged, including developing a unified emergency dispatch system, developing a common 9-1-1 back-up system, consolidating vehicle and radio maintenance, and better rationalizing equipment fueling sites.

- The Police Department should implement community policing throughout the City. As a first step, the Commissioner should explore every possible means to put more officers on the streets, including flattening the command staff, decentralizing administration, reorganizing the detective bureau, replacing sworn officers in clerical and administrative positions with civilian employees, replacing officers assigned to the Paid Detail Unit with civilians, transferring the Hackney Unit to the Transportation Department, installing new advanced technology such as the Computer Aided Dispatch System and Detective Case Management System, and eliminating overtime tracking delays.

- The Police Department should develop effective community policing training programs for new recruits, as well as older, more experienced officers.

- The Police Department should work with the City's other policing forces, including the Municipal Police, School Police, and Housing Authority Police, to resolve jurisdictional disputes and to maximize the deterrence value of the other policing agencies.

- The mission of the Fire Department should be expanded to emphasize fire prevention as well as fire suppression. An organizational audit should be conducted to determine whether a better mix of fire prevention and fire suppression resources can be developed.

- An organizational audit should be conducted to evaluate possibilities for restructuring the administration and organization of the Fire Department to achieve a higher level of efficiency. The organizational audit should also evaluate the current organizational structure of the Department in terms of effectiveness and cost efficiency with a goal of saving money.

- The City should study whether to merge the Emergency Medical Service (EMS) with the Fire Department.

Youth and Family Services:

- The Mayor should appoint a Chief of Health and Human Services to improve coordination and planning among the various commissions and agencies and with the various departments of the City.

- The City should undertake a proactive marketing effort to maximize public recognition of service improvements available in the brand new Boston City Hospital (BCH) facility.

- The City should change the governance of the Department of Health and Hospitals and its two hospitals -- ultimately to an authority or other independent entity -- in order to insure that the basic mission of the hospitals continues in light of the changes which are occurring in the health care industry.

- BCH should form strategic, mutually beneficial alliances with Boston Teaching Hospitals and Community Health Centers.

- BCH must attain a competitive level of costs in order to retain or gain contracts with third party payers and their patients.

- BCH exists to provide an essential safety net in the health care system, especially for uninsured families and individuals. It is absolutely critical that BCH management and the Mayor's Office maintain the vigilance necessary to sustain the existing health care reimbursement provisions now available to BCH at the federal and state levels.

- Community Health Centers are in need of greater collaboration and less duplication.

- The public health services are an important aspect of the continuum of care offered by BCH. That link should be preserved in whatever governance changes are instituted for BCH.

- The Public Health Department should play the primary role in the standard setting and monitoring of public health programs. The department should also play the coordinating role of assessing what the public health needs are and where there are gaps in the provision of essential services.

- The Human Rights Commission, the Fair Housing Commission, and the Commission for Persons with Disabilities should be combined into one human rights or anti-discrimination department and the City should explore strengthening existing enforcement powers.

- The Health and Human Services Cabinet Officer should explore consolidating all of the City's human service departments and agencies into one department with several divisions.

- A multi-lingual, user-friendly hot-line for health and human services (or all city services) should be established so that Boston residents are aware of the resources and services available in the City.

MAYOR'S TRANSITION COMMITTEE

INTRODUCTION AND OVERVIEW

Introduction

On November 10, 1993, Mayor Menino announced the formation of a Transition Committee to review and evaluate the work of City departments and agencies. Specifically, he directed the Committee to conduct an audit of all City departments in order to find ways to improve the delivery of municipal services. During the campaign, the Mayor pledged to implement such an audit review during his first months in office.

Composition and Organization of the Committee

The Mayor assembled a group of distinguished and interested citizens to serve on the Transition Committee. Many of these individuals had extensive experience with local, state, and federal government. They also reflected the diversity of Boston's culture. The Committee membership includes of neighborhood activists, business leaders, and educators. John P. White, Director of the Center for Business and Government at Harvard University, and Alyce J. Lee, Executive Director of the Codman Square Neighborhood Development Corporation, were asked to chair the group and Christopher Fox was appointed Executive Director.

The Committee divided municipal services into six broad categories: administration and finance, basic city services, economic development and housing, education, public safety, and youth and family services. A Task Force was assigned to evaluate the City's departmental performance in each area. Each Task Force was chaired by a person with extensive experience:

Administration and Finance	*Dall Forsythe*, Lecturer in Public Policy at Harvard University's Kennedy School of Government and former Budget Director for the State of New York.

City Services	*Micho Spring*, President of Robinson, Lake/Sawyer Miller and former Deputy Mayor for Policy Management for the City of Boston from 1980 to 1984.
Development and Housing	*Ira Jackson*, Executive Director of External Affairs and Customer Service for the Bank of Boston Corporation and former Commissioner of Revenue for the Commonwealth of Massachusetts
Education	*Margaret McKenna*, President of Lesley College and former Deputy Under Secretary for the U. S. Department of Education.
Public Safety	*Wayne Budd*, Senior Partner at Goodwin, Procter & Hoar; former Associate Attorney General of the United States and U. S. Attorney General for the District of Massachusetts.
Youth and Family Services	*Elaine Ullian*, President and Chief Executive Officer of Faulkner Hospital.

The six Task Forces Chairs joined John White and Alyce Lee to form a Steering Committee. This group met weekly to monitor the Task Forces' progress and to coordinate the examination of crosscutting issues, including the application of technology, procurement practices, and performance evaluation standards.

Mission of the Committee

The Transition Committee defined its mission as conducting a strategic performance audit of City government. The Mayor asked the Committee to use its mandate to examine the organization's performance, department by department, in terms of the services and products it delivers to Boston's residents and institutions. The objective was to identify potential reforms that the Mayor can implement to provide the public with an effective, efficient, and responsive government. A full text of the Committee's Mission Statement is attached as Exhibit A.

Strategic Performance Audit

The performance evaluation was divided into three phases. The first stage was diagnostic in function; it was devoted to collecting information about current operational and organizational practices. The second stage focused on evaluating these practices and the third stage was devoted to drafting a series of recommendations for improving departmental performance.

Phase I: Diagnosis of Problems and Opportunities

During the diagnostic phase, the Task Forces interviewed department heads. To prepare for these interviews, each committee listened to Mayor Menino describe his ideas about improving the government's performance. Each Task Force asked departments to identify the issues that warranted immediate attention, problems or opportunities that they expected to face during the next four years, and ideas for reorganizing the departments to improve service delivery. Every department was also asked to prepare a detailed briefing book that described the unit's mission, services, personnel, budget, use of technology, major projects, and operational details. In addition, external experts were consulted for their ideas and evaluation of various city programs. In December 1993 and January 1994, the Task Forces interviewed more than three hundred department heads, community leaders, and expert advisors.

Phase II: Evaluating Audit Results

The second phase of the process evaluated the information that was collected during the audit. The Task Forces considered the current operations, practices, and organization in light of the citizens' needs and requirements. To help us analyze the material, we asked for assistance on a *pro bono* basis from a number of local accounting, management consulting, and law firms, including Anderson Consulting, Arthur D. Little, Coopers & Lybrand, Lehrer McGovern Bovis, McKinsey & Co., Monitor Company, and Palmer & Dodge. Each of these firms was assigned teams of experts study various problems or opportunities. In particular, they agreed to help us identify successful practices in other organizations and design practical solutions for Boston.

Phase III: Developing Recommendations

The Transition Committee's objective was to produce a set of recommendations for the Mayor's consideration that would satisfy the following criteria:

- *Be consistent with the Committee's charter*
- *Be financially and operationally feasible*
- *Be able to make a tangible difference in the lives of Boston's residents, businesses, and institutions*

The Task Forces were asked to look at government from the user's perspective; the Mayor wanted them to apply their common sense and creativity to figure out how to reform or improve the service delivery process. He did not want the Committee to develop a large volume of recommendations, but rather focus a spotlight on the most important problems affecting the performance of City government.

Reforming government processes is always a daunting task. There are formidable legal, technical, financial, and operational obstacles standing in the way. It will require a tremendous amount of expertise, resources, commitment, and stamina to negotiate all the necessary details. And it will take time. As one expert on organizational change has written, "We know of no large organization that has fully identified and implemented a major process innovation in less than two years."

Any attempt at reform must first satisfy a few basic conditions. First, the Mayor and his top administrators must be fully committed to the process and recognize that it will take time and sometimes money to achieve. Second, there must be a disciplined implementation methodology. Third, someone must be assigned responsibility for reforming operations and given the authority to implement the necessary changes. Finally, there must be a system for measuring results and communicating feedback.

Results of the Performance Audit

The performance appraisal revealed that Boston's municipal government generally delivers an adequate level of service to residents despite serious organizational, financial, and operational handicaps. This success is undoubtedly due to the large number of dedicated and capable City employees. But City workers and managers must often cope with insufficient funds, inadequate equipment, highly restrictive work rules, and escalating public demands for additional levels of service. In spite of these problems, most of the streets get plowed, the lawns in the parks get mowed, the police and fire departments respond to emergencies, and the City's books are balanced.

The Committee was struck, however, by the City's untapped potential to deliver efficient and effective service to its citizens. Many work rules and procedures appear duplicative and unnecessary. The organizational and personnel structures are rigid and fragmented. Interdepartmental communication and cooperation are rare. Planning and preventive maintenance activities are often sporadic. Tasks that could be automated are still performed manually. As a result, the productivity and quality of City services falls short of its potential.

Lack of Interdepartmental Communication and Cooperation

More than any other factor, the Committee was dismayed by the lack of communication and cooperation among departments. There are more than fifty departments, agencies, and Mayoral commissions in City government, and most operate as semiautonomous units and many report directly to the Mayor. They seldom share resources or information. The Transportation Department has a sophisticated computer system for mapping City streets, but Public Works does not use it. Parking Control Officers walk down most of the streets in Boston, but they do not report clogged drains to the Boston Water and Sewer Commission or broken street lights to the Public Works Department. City Hall has evolved into an organization divided into too many independent units with communication in and out greatly inhibited.

Territorial Culture

The culture of City Hall is remarkably territorial. Managers and workers give their allegiance to their departments first and citywide concerns are sometimes ignored. They are often not oriented toward providing the best possible service to the public, but instead are focused on internal measures of success. For example, the City designed a comprehensive set of performance measures, but most dealt with budgetary matters and work rules rather than public outcomes or results.

Another symptom of this culture is departmental infighting. The Committee frequently encountered examples of agencies needlessly competing against one another. For instance, Public Facilities Department and the Boston Redevelopment Authority both might be committed to revitalizing Boston's economy, but they spend a great deal of time and energy defining and redefining their respective roles and responsibilities. As a result, the City has lost the potential for creativity and productivity that is generated by teamwork and cooperation.

The focus on "turf" issues sometimes leads to a bureaucratic vacuum, where no one assumes responsibility for projects. For example, the recent and visionary report produced by the joint City and State Commission on the Future of Boston Harbor Beaches was announced with much fanfare, but then sunk out of sight. No City (or State) agency was charged with the task of following up on the Commission's recommendations. None volunteered for the responsibility.

Another consequence of these interdepartmental conflicts is that the City loses money because of higher costs and wasted resources. The Committee discovered numerous instances of duplicative programs. For example, the Police and Fire Departments have developed separate 9-1-1 Emergency Systems at great cost to the City. There were other cases in which resources are not allocated productively. In some departments, staff assistants use state-of-the art computers for routine word processing, while in other areas workers dealing with complicated financial spreadsheets are forced to operate equipment that is more than ten years old.

Lack of Strategic Planning

The Transition Committee was also surprised by the City's lack of strategic planning. With the exception of the Capital Budgeting process, the planning function is largely ignored. A number of possible reasons were considered. For example, many departments have been forced to eliminate this function because of budgetary restrictions. In other areas, planning was dispersed among a number of units and lacked the institutional influence necessary to attract managerial attention or resources. Most City agencies have developed an operating style that favors reactive approaches to problem solving rather than anticipatory or preventive strategies.

Insufficient Investment in Technology

The City has not devoted enough resources to investments that will enhance productivity and improve the quality of service. The application of computer and communications technology is an excellent example of this problem. Although some departments have adopted advanced technology to automate processes, the distribution of computers and modern telephone systems throughout the government is very uneven. The Management Information Systems Department, for example, has more than fifty state-of-the-art personal computers, but the Mayor's Office and most basic services departments operate with vintage equipment from the 1970's. In addition, a number of agencies, such as permitting and registry, could reduce their processing time significantly by employing automated techniques.

The Transition Committee uncovered numerous managerial and operational issues that require attention. Yet the problems that disturbed us most were those that prevented the City from gearing up its operations to provide truly superior service to Boston's citizens and workers. By overcoming the territorial nature of the current organization, encouraging interdepartmental communication and cooperation, emphasizing the importance of public service rather than departmental allegiance, injecting a strategic planning function, and capitalizing on advances in modern technology, Boston's government can dramatically improve its productivity and performance.

Principal Themes

The Task Forces evaluated the information gathered during the audit and prepared a set of recommendations for the Mayor's consideration. These recommendations concentrated around a few dominant themes. The Committee members endorsed the idea of a government that listens carefully to the people it serves, identifies accurately what they need, delivers the products or services required at the lowest possible cost, and continuously measures its performance to ensure ongoing quality and value. In addition, the Committee supported the concept of an organization that is driven by the desire to satisfy the needs of the people who live and work in Boston.

Customer Focus

Management experts contend that the best organizations constantly ask their customers what they want and then shape their entire service and production processes to produce it. The most successful companies are obsessed about their customers. These organizations devote a tremendous amount of time and energy listening to the people they serve. They probe constantly to identify what people like, dislike, need, and are willing to pay for.

Government should do no less. It should stay constantly in touch with its customers. There are a number of ways to reach out to the public, including surveys, focus groups, interviews, test marketing, ombudsmen, 1-800 telephone numbers, suggestion boxes, and electronic mail. Another effective practice is to expose employees and administrators directly to their customers. As one successful executive explained, "There is simply no substitute for direct access, it keeps managers informed, it keeps them in touch, it keeps them honest."

Performance Driven Organization

Once our public leaders have decided what services and programs should be provided, then we need an organization that delivers them quickly and thoroughly. The government should have a second obsession: performance. Many city employees already have this orientation toward achievement, but they measure their success by internal, albeit important, benchmarks, such as hours worked, conformance with procedures, and staying within budget. We need a government that is more focused on the outcomes or results it delivers to the public.

Every employee should be evaluated according to performance-based measurement standards. These benchmarks should be derived from the mission of their agency. For example, if the Parks and Recreation Department's mission is to ensure that the City's playgrounds are kept safe and in good repair, then a manager might be measured by the number of serious injuries that are reported by users of the facilities.

The focus on outcomes should not obscure the fact that it matters how the service is performed as much as what gets done. A typical customer remembers your name under only two conditions:

- When you provide extremely poor products or service. For example, *"I waited in line for forty-five minutes and when I got to the desk I was told that they couldn't find my file. "*
- When you provide service or products that exceed expectations. For example, *"When the Water and Sewer Commission finished repairing a broken water main, one of the workers went to each house on the street to explain that the work was completed and advise residents to turn on water faucets carefully because of air in the pipes. "*

Every contact with a person is an important part of the total service experience and helps to define that individual's opinion of the organization. Quality of service is in the details. City government needs to pay as much attention to the small events, such as how the phones are answered or the appearance of its facilities, as it does to its major policy initiatives. It currently does not, with a couple of exceptions.

Boston's government should try to acquire a reputation for providing *surprisingly* good products and services. To accomplish this goal will take patience and persistence. It will require major changes in the organizational framework and operational procedures. It will rarely occur in a situation where an employee believes he or she is entitled to a job for life and where continuous substandard performance is ignored. It will require constant attention and a desire to continuously upgrade performance. The organization must measure its results regularly. This can be done by follow-up surveys or interviews, complaint tracking systems, and periodic inspections. Administrators and workers can use this information to identify new opportunities to satisfy the public or correct deficiencies in existing processes.

Boston can set a standard of excellence in municipal government. By employing the principles of customer satisfaction, outcome-oriented goals, performance-based measurement standards, and continuous improvement, this city can acquire a reputation for quality public service.

Improved Efficiency

The objective of superior service must always be placed in a context that recognizes that public funds are limited. Consequently, the City must learn to live within its means. It must utilize its current assets efficiently. There can be no tolerance for waste or errors. Unnecessary costs must be eliminated. Duplicative procedures must be curtailed. Excess head count must be reduced. Mayor Menino has referred to this concept as "smart spending". We agree.

Internal audits are an effective way to measure efficient performance. These studies can be used to scrutinize the financial, operational, and managerial procedures in an organization. The information can then be used to evaluate current methodologies, close down nonessential functions, redesign poorly performing operations, and create new arrangements. Well-run organizations continuously examine their processes for opportunities to improve service.

Increased Productivity

We must capitalize on every opportunity to increase the productivity of our current employees and assets. There are a number of methods that can be utilized. We have focused on three powerful levers: computer and communications technology, human and organizational development techniques, and competition.

The capabilities of computer and communications technology can be used to dramatically increase the output from an operation. The power of these tools is not a function of their hardware or software, but instead is derived from the processes and information that they generate. Many studies have shown that expensive purchases of advanced hardware have not made any difference in overall productivity unless they are closely coordinated with innovative organizational and process reforms.

A second powerful lever that can be used to improve productivity utilizes human and organizational development approaches such as greater employee empowerment, reliance on teams, and flattened organizational structures. Mayor Menino has endorsed this concept by advocating the implementation of school based management in the Public Schools Department. Decentralized institutions have a number of advantages. First, they are far more flexible than centralized operations because they can respond quickly to changing conditions and needs. Second, they are more effective; decision making is placed in the hands of front-line workers who are closest to the problems and opportunities: they know what is going on. Third, decentralized organizations are more innovative; good ideas percolate up from employees who actually do the work and deal with the public. Finally, these institutions often have higher morale and greater productivity; when managers treat the employees with trust and respect, the workers respond with enthusiasm and commitment. Decentralization recognizes a basic element of human nature: people work harder and invest more of their creativity when they control their own work.

Introducing competition into the delivery of public service is another healthy and effective way to improve productivity. In their book, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector,* David Osborne and Ted Gaebler wrote, "Competition will not solve all our problems. But perhaps more than any other concept..., it holds the key that will unlock the bureaucratic gridlock that hamstrings so many public agencies." Competition introduces accountability, enhances customer responsiveness, stimulates innovation, reduces waste, challenges favoritism, and provides choices among different kinds of services.

Competition introduces accountability into an operation. It holds someone responsible for performance. It also sends a message that if an operation's performance is not satisfactory, then the responsibility will be transferred to someone else. The option of taking the business to another vendor is a powerful discipline that can be used to promote efficiency and responsiveness.

Competition does not yield universal benefits. The profit motive which drives private firms to promote efficiency is not available to public providers. But many of the techniques that increase efficiency exist in both sectors. Competition works best when administrators can define precisely what they want done, attract a number of competitors for the work, measure the results, and reward those who perform.

Strategic Planning

Given the rapid pace of change in today's culture, it is important that an organization be able to adapt quickly to new circumstances. This responsiveness is a function of many factors. Some of these conditions have been discussed earlier, such as decentralized decision making and competition. The most effective way to prepare Boston's government for this era of change is to build foresight into the decision process.

Anticipatory governments do two fundamental things: they invest in preventive measures and they plan ahead. Advanced fire departments, for example, concentrate as much attention on fire prevention as on fire suppression. Police departments are learning to help communities prevent crime, rather than just chase down criminals. Anticipating change is not enough. Governments must also prepare themselves to make decisions based on foresight. Increasingly, cities are introducing strategic planning techniques into their budget process so that they can develop contingency plans to deal with the problems and opportunities that lie ahead.

Teamwork and Cooperation

Good managers throughout the public and private sectors have tried to instill a spirit of teamwork and cooperation into their organizations. The benefits from this policy can be dramatic. Studies have proven that productivity improves by pooling information, exchanging ideas, and sharing resources. Innovative solutions emerge when people with different perspectives come together. Financial savings are realized because of economies of scale. Employee morale is boosted when workers see that they are all pulling in the same direction.

This sense of cooperation can be projected externally as well. Mayor Menino has referred frequently to his desire to promote public-private partnerships with the business and not-for-profit communities. Boston has already benefited from collaborative ventures in education and the arts. The Mayor has also encouraged alliances with the state and regional governments. Whether they agree to sit together and negotiate strategies to address common problems such as pollution, crime, and poverty or engage in regional procurement programs, all of these parties will collect large dividends from the effort.

Conclusion

The Transition Committee lacked the time, expertise, and resources to propose a truly comprehensive set of reforms for every City agency. We have deliberately limited our recommendations to a set of principles that can guide and inform the reform process, and a series of specific changes that can be implemented immediately. Although, it will be necessary to realign many of the operational units of the government, we believe that the Mayor and his senior advisors should design and manage that process. Too much is at stake -- politically, financially, operationally, legally, and personally -- to consider and implement reforms in an arbitrary fashion.

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Exhibit A

MAYOR'S TRANSITION COMMITTEE

INTRODUCTION AND OVERVIEW

Mission Statement

Mayor Menino has pledged to bring a new management approach to, and fresh look at, City government. The Mayor is determined that his new Administration can make great progress through commitment, energy, and innovation. In this regard, he will be taking numerous steps to improve the City and its government.

As part of these efforts, the Mayor has established a Transition Committee, composed of individuals from diverse backgrounds and experience. They were selected from various neighborhood organizations, corporations, universities, and other area institutions. All of the members share the Mayor's commitment to finding effective ways to improve the City through its government.

The Mayor has asked the Committee to use its mandate to examine the performance of City government, department by department, in terms of the services and products it delivers to its residents and institutions. The Committee will review the current operations, practices, and organization of the City's departments in light of the City's needs and requirements. It will conduct a strategic audit of City government as opposed to a detailed financial or functional review.

The Committee will tailor its efforts to the various functions being examined. It will interview city employees, community groups, and citizens as well as examine the practices of other American cities in order to identify potential performance improvements. While the Committee will be looking for ways that the City government can be more efficient, its primary focus will be on ways that the government can be more effective in the delivery of services to the public.

The members of the Committee will work for the next six months as unpaid volunteers. The Committee will submit periodic reports and recommendations to the Mayor as work progresses. It plans to complete its work so that all of its findings are available before the new Administration submits its first budget in April.

In summary, the Transition Committee will submit a series of recommendations to the new Mayor for reforming Boston's government so that it uses its limited resources more effectively to provide services that meet the needs of all our residents and institutions.

MAYOR'S TRANSITION COMMITTEE

RECOMMENDATION: A CABINET FORM OF GOVERNMENT

Problem:

The existing organizational structure accommodates, and in some instances promotes, a fragmented, uncoordinated, and indifferent government that prevents the Mayor from delivering responsive and effective municipal services.

Recommendation:

The Mayor should adopt a cabinet-style organizational structure that aligns personnel and resources along functional lines and is administered by a Chief Operating Officer.

Supporting Arguments:

When the Transition Committee began its work in November, we never intended to restructure city government. But the results of the departmental performance audits quickly persuaded us that it was essential.

Currently, far too many departments, agencies, and commissions report directly to the Mayor. A copy of the current organizational chart is attached as Exhibit A. It is impossible for any individual to provide proper oversight and direction to such a broad span of control. It also does a disservice to the Office of the Mayor. The people have elected the Mayor to provide leadership, not only to city government, but to the whole city. The Mayor needs to formulate and articulate the public agenda. To do this he needs to meet with citizens and visitors. He needs time to listen to public concerns and reflect on their implications. Of course, the Mayor is responsible for the management of the City, but it is only one of his many tasks.

The Mayor should reorganize the government so that he can exercise the leadership the public expects. He should have an organization that is structured to bring order, discipline, and coordination to its various functions. He needs an operation with clear lines of authority, responsibility, and accountability so that he can delegate the daily, routine managerial decisions. This arrangement would free the Mayor to pursue his demanding schedule of external engagements with residents, visitors, and businesses. It would also permit him to keep a watchful eye on his administration and to intervene whenever it deviated from his agenda.

In addition, it is time to tear down the barriers that separate departments and prevent city employees from working together to provide superior service. It is time to dismantle the departmental fiefdoms that prevail in City Hall. It is time to end the parochial loyalties that have developed over the years. Instead, the Administration needs to instill a spirit of communication and cooperation throughout the organization. It needs to restore the idea that our government is here to serve the people, not the interests of each department or commission.

We recommend that the Mayor implement a cabinet-style form of government. We believe that this type of organization will provide the direction and coordination that the City desperately needs. The Cabinet will articulate and focus on the major functional responsibilities of municipal government: education, public safety, economic development and housing, administration and finance, health and human services, and basic services, such as public works and recreation. This structure deliberately simplifies the definition of public service so that city employees and citizens do not lose sight of municipal government's real mission -- quality schools, law enforcement, careful management of public funds, support for the needy, and a well-maintained physical infrastructure.

Each cabinet office would be administered by an individual who is responsible for implementing the Mayor's agenda in each of these important areas. For example, Mayor Menino has declared that he will clean up the City; the officer responsible for basic services will be asked to ensure that the pledge is fulfilled. The Mayor is committed to improving the quality of our public school system; the officer in charge of education will be held accountable for seeing that it happens. The cabinet structure identifies the lines of responsibility and authority in the government. It also clearly establishes who is accountable for results.

The Cabinet would be comprised of the Mayor and nine officers. Each officer would be responsible for one of the major functional areas of government. A summary, not a completely inclusive description of these positions is provided below:

Chief Operating Officer	responsible for the daily administration of the government, including Administrative Services, Human Resources, Purchasing, and Management Information Systems

Chief Financial Officer	responsible for the financial functions, including Treasury, Assessing, Budget, Auditing, and Labor Relations.
Chief Economic Development Officer	responsible for the planning, development, housing, and marketing functions, including the Boston Redevelopment Authority (BRA), Public Facilities Department (PFD), Boston Housing Authority (BHA), and Inspectional Services Department (ISD)
Head of Basic Services	responsible for the physical infrastructure, including Public Works Department, Parks and Recreation Department, Transportation Department, and coordinates City services with those of the Boston Water and Sewer Commission.
Head of Health and Human Services	responsible for providing health and human service support to all of Boston's residents, and will coordinate such departments as Community Centers, Elderly Commission, Emergency Shelter Commission, and the Healthy Boston initiative.
Public Safety	responsible for enforcing the laws and ensuring the physical safety of

	Boston's citizens,. This position would be jointly managed by the Police Commissioner and Fire Commissioner
Education and Training	responsible for educating our citizens, including the Boston Public Schools
Mayor's Chief of Staff	responsible for the administration of the Mayor's Office, the regional service councils, and intergovernmental relations.

A schematic representation of the Cabinet is attached as Exhibit B.

Current city departments would be categorized according to their functional responsibilities. For example, the Fire Department and Police Department would obviously be aligned with the Public Safety function. Yet there are many departments that do not fit neatly into a category. Over the years, some departments have acquired a broad mix of assignments that cross functional lines. The Public Facilities Department provides services ranging from policing to building maintenance and construction to economic development. In those instances, a judgment has been made about the locus of the department's activities. A list of tentative departmental assignments is attached as Exhibit C.

The Cabinet Officers should have the requisite authority and tools to manage their cluster of departments. We recommend that these officers be integrally involved in the budgetary and personnel decisions affecting their subordinate units. Further we suggest that the budget preparation process be organized to complement the cabinet structure and that a management information system be designed to provide the officers with regular reports from each unit.

In order to prevent a recurrence of departmental fragmentation and independence, we have suggested a few mechanisms to ensure that horizontal communication occurs among Cabinet Officers. Regular cabinet meetings should be scheduled to allow the officers to share information and ideas, as well as to formulate broad policy initiatives for the Administration. The Mayor should chair these sessions. In his absence, the Chief Operating Officer or Mayor's Chief of Staff should preside. In addition, we recommend that the Cabinet Offices be located together, ideally in adjacent quarters (the Superintendent of Schools, the Fire Commissioner, and the Police Commissioner would be exempted). This arrangement would foster a collegial environment where Cabinet Officers could informally exchange information and ideas daily. Co-location is particularly important for instilling the spirit of cooperation in the organization.

We have designed another important mechanism to promote horizontal communication and decentralization of authority. In addition to their general citywide duties and responsibilities, members of the Cabinet will also have a special responsibility to pay attention to the delivery of services in a particular part of the city. Each Cabinet Officer would be responsible for ensuring the delivery of all city services in a region of the city. Boston can be divided into eight or nine geographic regions, similar to Police Districts. Each region would be overseen by a council of city administrators. Each council would meet monthly with residents to evaluate the quality of city services delivered in the region. Every council would be chaired by a Cabinet Officer and staffed by full time assistants who will report directly to the Mayor's Office.

There are a couple of advantages to this arrangement. First, it would assure that the senior administrators in the government regularly meet with the public and listen to their concerns. It is analogous to sending the top officers of a company out on a sales call. Second, it would encourage Cabinet Officers to cooperate with one another. For example, the Chief of Basic Services might be responsible for Allston-Brighton and the Police Commissioner might have East Boston. If the Chief of Basic Services hears from residents that community policing is not succeeding, then she would have an incentive to bring it up with the Police Commissioner. It is also possible that the Police Commissioner will hear complaints about the condition of streets in East Boston and then he would be responsible for bringing these problems to the attention of his Basic Services colleague.

Finally. we recommend that the Mayor direct the Cabinet to prepare plans to reorganize their functional areas to improve the effectiveness and efficiency of service. Of course, this will take time to accomplish; the Cabinet Officers must first evaluate the performance of their subordinate departments and negotiate a productive realignment. Nevertheless, we suggest that the Cabinet Officers consider some of the following reforms:

- *decentralize decision-making and empower front-line service personnel with authority and responsibility*
- *introduce competition wherever it is appropriate*
- *consolidate departments wherever possible introduce technology to improve communication, coordination, and responsiveness*
- *promote teamwork*

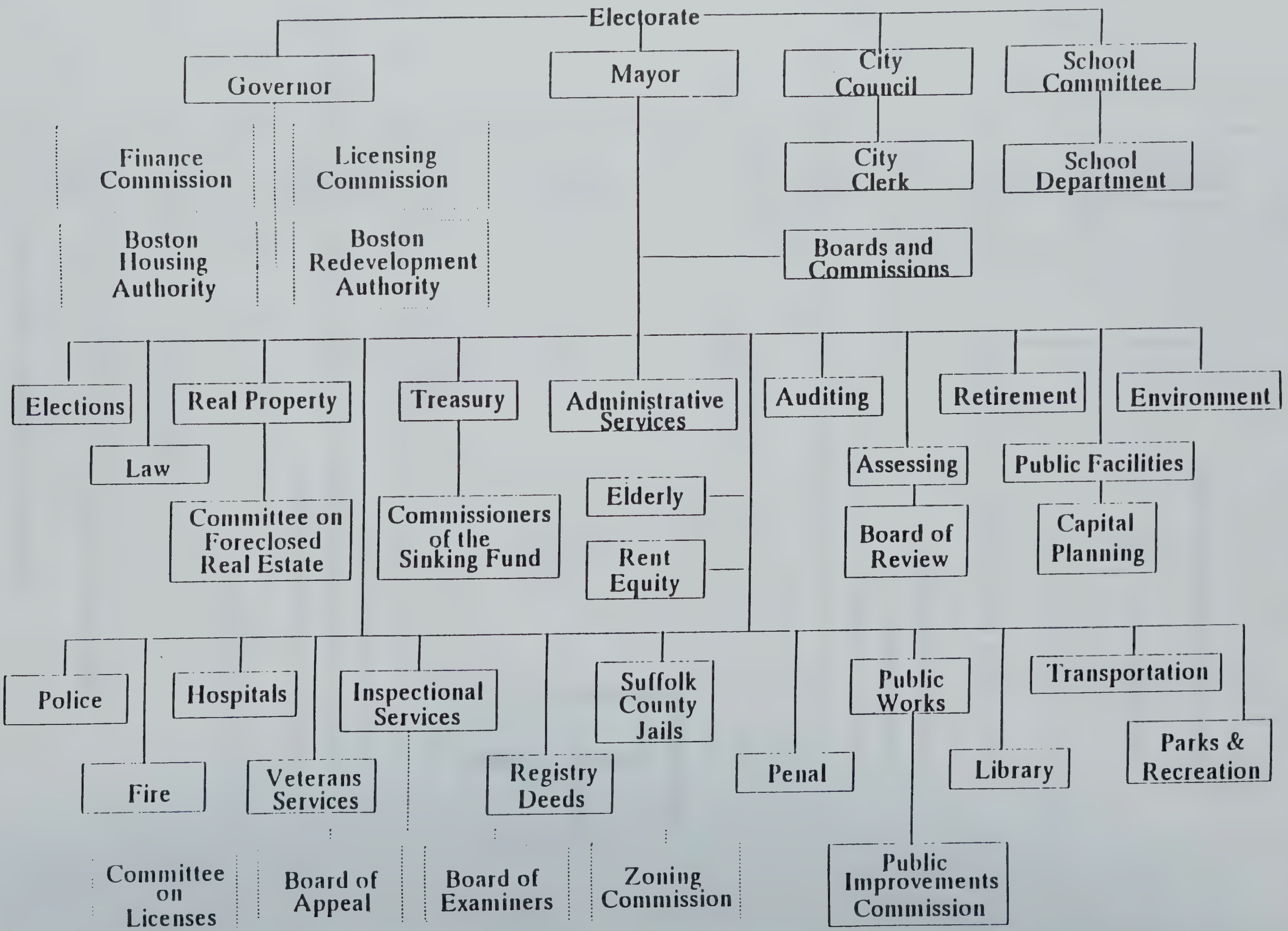
- *concentrate on preventive maintenance and advance planning*
- *transfer units to more appropriate functional areas when necessary*
- *standardize work rules and procedures*
- *eliminate duplicative functions*
- *reassign underutilized managers and personnel to front-line service positions*
- *implement regular employee evaluations based on performance-driven measurement standards*
- *set a goal of reducing employee headcount, excepting teachers and public safety officers, by 10 percent during the Mayor's term of office*

This is a lengthy list of suggestions and we have omitted many other worthwhile ideas. But it is urgent that we begin to change the way city government operates. In fact, we urge the Mayor to initiate these reforms by asking the Cabinet Officers to serve coterminously as the head of a department. For example, the Chief Operating Officer could act as the head of Administrative Services, the Chief Financial Officer could also manage the Treasury or Budget Office, and the Chief Economic Development Officer could lead the BRA. These actions would communicate to the public and city employees that the process of consolidation and coordination is already underway.

The cabinet form of government is intended to be an important first step toward redesigning a government that will focus on results or outcomes, rather than on roles and procedures. We have deliberately avoided recommending a wholesale realignment of city employees and agencies. The Transition Committee lacked the time, resources, and expertise to suggest such drastic measures. Instead, we recommend that the Cabinet Officers be given the responsibility and authority to reorganize the personnel and resources under their purview. Over the next few years, the Cabinet Officers can negotiate with their department heads and design a structure that refines the government processes so that public services are provided effectively, efficiently, and creatively.

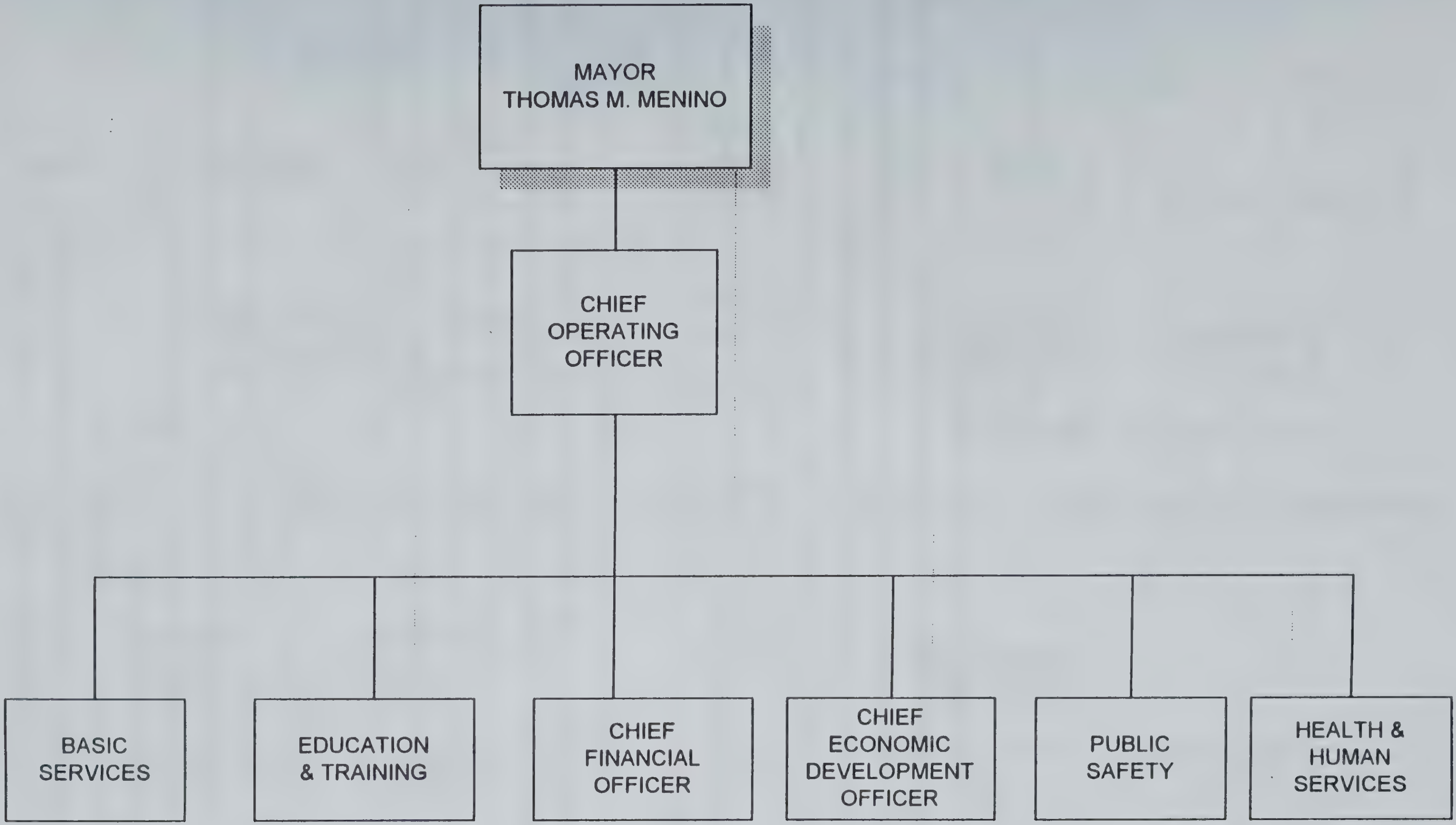
MAYOR'S TRANSITION COMMITTEE RECOMMENDATION
A CABINET FORM OF GOVERNMENT
EXHIBIT A

ORGANIZATION OF BOSTON'S CITY GOVERNMENT


Electorate
Governor
Mayor
City Council
School Committee
Finance Commission
Licensing Commission
City Clerk
School Department
Boston Housing Authority
Boston Redevelopment Authority
Boards and Commissions
Elections
Real Property
Treasury
Administrative Services
Auditing
Retirement
Environment
Law
Assessing
Public Facilities
Committee on Foreclosed Real Estate
Commissioners of the Sinking Fund
Elderly
Rent Equity
Board of Review
Capital Planning
Police
Hospitals
Inspectional Services
Suffolk County Jails
Public Works
Transportation
Fire
Veterans Services
Registry Deeds
Penal
Library
Parks & Recreation
Committee on Licenses
Board of Appeal
Board of Examiners
Zoning Commission
Public Improvements Commission

A CABINET FORM OF GOVERNMENT

EXHIBIT B


MAYOR
THOMAS M. MENINO
CHIEF OPERATING OFFICER
BASIC SERVICES
EDUCATION & TRAINING
CHIEF FINANCIAL OFFICER
CHIEF ECONOMIC DEVELOPMENT OFFICER
PUBLIC SAFETY
HEALTH & HUMAN SERVICES

MAYOR'S TRANSITION COMMITTEE

RECOMMENDATION: A CABINET FORM OF GOVERNMENT

EXHIBIT C

CHIEF OPERATING OFFICER:

- Administrative Services Department
- Human Resources (including Affirmative Action, Health Benefits Insurance, Labor Relations, and Personnel Management)
- Management and Information Services (including the Office of Program Evaluation, Management Fund, and the Office of Cable Communications)
- Printing
- Purchasing

BASIC SERVICES:

- Elections
- Consumer Affairs and Licensing
- Parks and Recreation Department (including Cemeteries)
- Public Facilities Department: Alterations and Repair
- Public Works Department
- Real Estate Management (including Real Property: Administration and Buildings and PFD: Alterations and Repair)
- Registry Division
- Transportation Department

- Boston Water & Sewer Commission (Board position)

EDUCATION AND TRAINING:

- Boston Public Schools

- Boston Public Library (Board position)

CHIEF FINANCIAL OFFICER:

- Assessing
- Auditing
- Office of the Budget (including Capital Budgeting)
- Office of External Funds
- Retirement Board
- Treasury
- Workers Compensation

CHIEF ECONOMIC DEVELOPMENT OFFICER:

- Boston Redevelopment Authority
- Economic Development and Industrialization Corporation
- Environment Department
- Inspectional Services Department
- Minority/Women Business Enterprise Office
- Office of Special Events and Tourism
- Public Facilities Department (including Real Property: Property Disposition)
- Rent Equity Board

- Boston Housing Authority (Board position)

PUBLIC SAFETY:

- Fire Department
- Police Department

HEALTH AND HUMAN SERVICES:

- Community Centers
- Health and Hospitals Department
- Office of Civil Rights:
    - Commission for Persons with Disabilities
    - Fair Housing Commission
    - Human Rights Commission

- Office of Cultural Affairs (formerly Arts and Humanities)
- Office of Human Services:
    - Boston Against Drugs
    - Elderly Commission
    - Emergency Shelter Department
    - Safe Neighborhoods
    - Women's Commission
    - Veteran's Services

MAYOR'S OFFICE:

- Correspondence
- Intergovernmental Relations
- Law Department
- Office of Neighborhood Services
- Press Office
- Scheduling

OTHER:

- City Clerk
- Finance Commission
- Licensing Board
- Registry of Deeds
- Registry Suffolk County Sheriff

**MAYOR'S
TRANSITION
COMMITTEE**

*ADMINISTRATION
& FINANCE
TASK FORCE*

Mayor of Boston
Thomas M. Menino

Team Manager
Anita M. Lauricella

TRANSITION REPORT OF THE ADMINISTRATION & FINANCE TASK FORCE

ADMINISTRATION & FINANCE TASK FORCE

DALL FORSYTHE, CHAIR
ANITA M. LAURICELLA, TASK FORCE MANAGER

DAVID F. D'ALESSANDRO
JOHN J. CULLINANE
JOSEPH D. FEASTER, JR.
CHARLES F. WU

MARCH 16, 1994

MAYOR'S
TRANSITION
COMMITTEE

ADMINISTRATION &
FINANCE TASK FORCE

Transition Report
on Administration and Finance

Dear Mayor Menino:

As you requested, we have reviewed Boston's financial agencies and activities. Although the City is facing several years of tight budgets, Boston's financial position is sound, and the City is fortunate to have capable and experienced public servants managing its finances.

The City's budget is balanced, although a firm hand and continued fiscal discipline will be required to maintain that balance. The City's budget process and budget office function well. As outlined below, integration of the expense and capital budgets will further strengthen budgetary oversight.

The City's bond rating is strong and stable, reflecting its admirable record of financial performance, and the competence of its financial managers. Cash management activities are well run by a thoughtful Treasury manager. In recent months, Treasury staff and the City's independent financial advisor have also completed two bond transactions using competitive sealed-bid procedures.

Nonetheless, we have identified several areas where reorganization, management attention or new policy thrusts might produce savings or further improvements in the City's financial management and administration.

Integrating the City's financial functions. Our most important recommendation is that a chief financial officer be appointed to oversee and integrate the agencies now performing financial functions. A review of the organizational structures of other city governments indicates that an integrated financial agency improves financial management and helps provide the Mayor with the best possible financial advice. Department heads that were interviewed concurred that a strong finance professional serving as CFO could bring the City many benefits. Two benefits identified were improved coordination and consistent goals.

Integrating the City's financial functions will also bring together the capital and expense budgets, an important step along the path to improved budgetary planning and management. We also recommend that a new unit be established to provide central oversight of the City's external grants and funding. Reorganization and integration of existing financial agencies should allow resources to be redirected to this and other financial functions that may need additional attention and emphasis, such as internal audit.

Mayoral participation in goal-setting for agency performance. Boston has made significant progress in establishing performance measures for its most important agency operations. Further progress will be hastened by the direct involvement of the Mayor in the process of establishing goals and targets for key services and functions. An important task for the newly appointed COO and CFO should be the design of a process for that activity. Members of our task force would be pleased to assist in this project as needed.

Innovative bond issuance procedures: Continuing along the path you laid out last summer, your acting Treasurer and the City's financial advisor designed an innovative mechanism that allowed the City to sell $86 million of advance refunding bonds through a competitive sealed bid process. The task force supports your efforts to expand the use of competitive sales for bond issuance. However, we also recommend that you leave the door open to negotiated sales when such sales can be shown to save the City money. One useful model is the Port Authority of New York and New Jersey, which is highly regarded for the professionalism of its financial staff The Port Authority issues most of its bonds through competitive, sealed-bid procedures. However, if an underwriter brings its financial managers a genuinely innovative money-saving proposal, the Port Authority negotiates the sale of the first issue incorporating the new technique. This policy provides underwriters with an incentive to bring new ideas to the Port Authority, and helps assure that procedures do not stifle innovation. We recommend that Boston follow a similar policy.

Conversion or Direct Deposit and Bi-Weekly Payroll: The City currently processes 858,820 checks a year at a cost of $200,409. This cost is offset by annual earnings of $133,873. The result is a net loss, or expense of $66,536. A review by Treasury indicates that a direct deposit system combined with the conversion to bi-weekly payroll could result in a positive financial benefit (the gain is dependent on the level of participation of City employees) and improved convenience for employees. We recommend the City pursue this opportunity by entering into discussions with City employees about a bi-weekly payroll and direct deposit.

Request for Qualifications for Bond Counsel The City has used the services of one law firm for legislative and financial work since 1984. There is a no sense of dissatisfaction, but there is a sense that some procedures could be improved and dollars spent on bond services maximized. We recommend that the City consider a request for qualification process to insure that the City receives the maximum benefit from its Counsel.

Purchasing- With pro bono assistance from Arthur D. Little, we have been exploring proposals that might save money and reduce the procedural burdens of the City's cumbersome purchasing system. In the short run, we believe that the City can save money by employing an outside firm to review its utility bills, and by implementing a new system to purchase motor fuel from private gas stations and centralized City facilities. Long range savings opportunities have also been identified and an interdepartmental team of City employees should be charged with capturing these savings.

Department of Law- The Corporation Counsel has proposed that the lawyers working in operating agencies be consolidated under the Law Department's budgetary and organizational control. We expressed concern that the heads of operating agencies might object unless the Law Department was able to demonstrate that this consolidated system would be responsive to their needs for timely service and improve the level of service departments receive. The proposal will come to you for review during the budget process.

Next steps While we have made immediate progress in the areas outlined above, we have also been looking for additional projects that should be high priorities for your managers during the rest of this year. We believe that additional initiatives can bring results in several areas.

For example, the budget office has been looking into the management problems and cost structure of Workers Compensation. On the basis of that preliminary work, it seems clear that management of the Workers Compensation program should be centralized, and that more aggressive management and oversight are likely to produce savings. Outside vendors might play a useful role in a more actively managed program . Over the next six months, you should press for more detailed plans.

Similarly, a task force has come up with useful but preliminary proposals for modernization and reorganization of the City's human resources agencies. You might convene a panel of corporate human resources managers to provide impetus for the next stage of analysis and design of that important project.

At the Boston City Hospital, outside auditors have identified material concerns about financial management. Corrections of those weaknesses will help the hospital compete better in this new and difficult environment for health care providers.

To oversee these and other management improvement projects, the City should consider establishing a small management unit to analyze operational and organizational problems, and to track and manage corrective projects in various agencies. Such a unit, which could be located in the COO's office, will be a valuable tool for managing City government. As a first step, the Monitor Company is training a small group of City employees in new techniques of organizational analysis. This office could also coordinate a team that could carry on the preliminary work done by A. D. Little and achieve long term savings.

Acknowledgments: As chair of the task force on finance and administration, I would like to thank each of the task force members for their hard work, encouragement and advice. As you might expect, the budget office has been an especially useful source of information and advice, and Sam Tyler's work at the Boston Municipal Research Bureau has provided a valuable base of data and an indispensable independent perspective on the City's financial activities and agencies. Anita Lauricella has been an especially important member of our team, keeping our activities moving forward and on target. My thanks also to Diana Bender for her survey of the structure of finance organizations in other cities, included in Tab 1 of this report.

We have all been grateful for the chance to assist you in this first year of your mayoralty, and hope that our activities have helped get your new administration off to a strong start.

RECOMMENDATIONS

1-Financial Organization

The financial functions of the City of Boston are generally sound. The City's budget is balanced and its bond rating steady. However, City financial services are delivered by separate departments or divisions with no formal oversight below the level of the Mayor. Opportunities for improvement exist in the reorganization of the financial processes.

Consolidate the financial functions of the City into a financial cabinet reporting to a Chief Financial Officer. Attachment 1-organization chart [See Tab 1 which includes the Financial Organization-Current Structure and Opportunities and The Organization of the Finance Function in City Government]

1-Hire an experienced finance professional to manage the key financial operations of the City, auditing, assessing, treasury, budgeting and policy analysis, capital budgeting and external funds. [See Tab 2 which includes the Proposed Mission Statement, Position Description, and Performance Measures]

2-Define the mission of the cabinet as facilitating financial decision-making which efficiently and effectively generates revenues and allocates resources

2-Organization of Budget Processes

The operating and capital budget processes perform well, but coordination between them is weak. Informally, they have adequately informed each other of the direct impact of their decision-making processes, such as debt service levels or new facilities. They have been less successful at communicating indirect impacts, like changes in department spending on maintenance, or at prospectively planning and coordinating spending priorities. There is also no set of common goals for coordinating spending priorities [See Tab 3 which includes the Operating and Capital Budgets-Current Structure and Opportunities].

Redefine the capital and operating budget processes to improve and formalize the integration of capital and operating resources.

1-Integrate capital planning into the financial sub-cabinet to enhance coordination and planning and ensure common priorities for City funds.

2-Review organizational alternatives to accommodate a total integration of the two budget and planning functions.

3-Establish a consolidated external funds office

Grants funds and CDBG funds are managed directly by the various departments, with no mechanism to link mayoral priorities and external funding. The lack of coordination contributes to duplication of effort and inefficient management of City resources.[See Tab 4 which includes the Office of External Funds, Grant Proposal (internal memo), and Grant Assistance Unit (internal memo)].

Establish an office of external funds to coordinate grants and development activities.

4-Bond Counsel

There does not appear to be any level of dissatisfaction with the current Bond Counsel. However, there are some procedures that could be improved which would enable the City to maximize the value of the dollars spent on bond services. Since the contract is not viewed as a complete and encompassing contract there is a potential for conflicts of interest and lost benefits [See Tab 5 which includes the City Bond Counsel Selection Process and the Boston Water and Sewer Commission Request for Qualifications].

A Request for Qualifications of the City s Bond Counsel should be undertaken. The purpose would be to evaluate whether the City is receiving the maximum amount of benefit from its Counsel.

5-Workers' Compensation

The worker's compensation system is a complex system, managed by multiple city departments, and under the jurisdiction of state and city rules, regulations, and laws. It is also a major City of Boston expenditure, $35.8 million budgeted in FY93. [see Tab 6 which includes Worker's Compensation-Current Structure and Opportunities, Financing and Administering Employee Injury Systems, Workers' Compensation Questionnaire, and Retirement Board Questionnaire]

Consider a comprehensive operations audit of the existing departments and programs and develop a plan for the delivery of integrated compensation services with a focus on the development of citywide standards information systems and operating practices.

6-Purchasing Systems

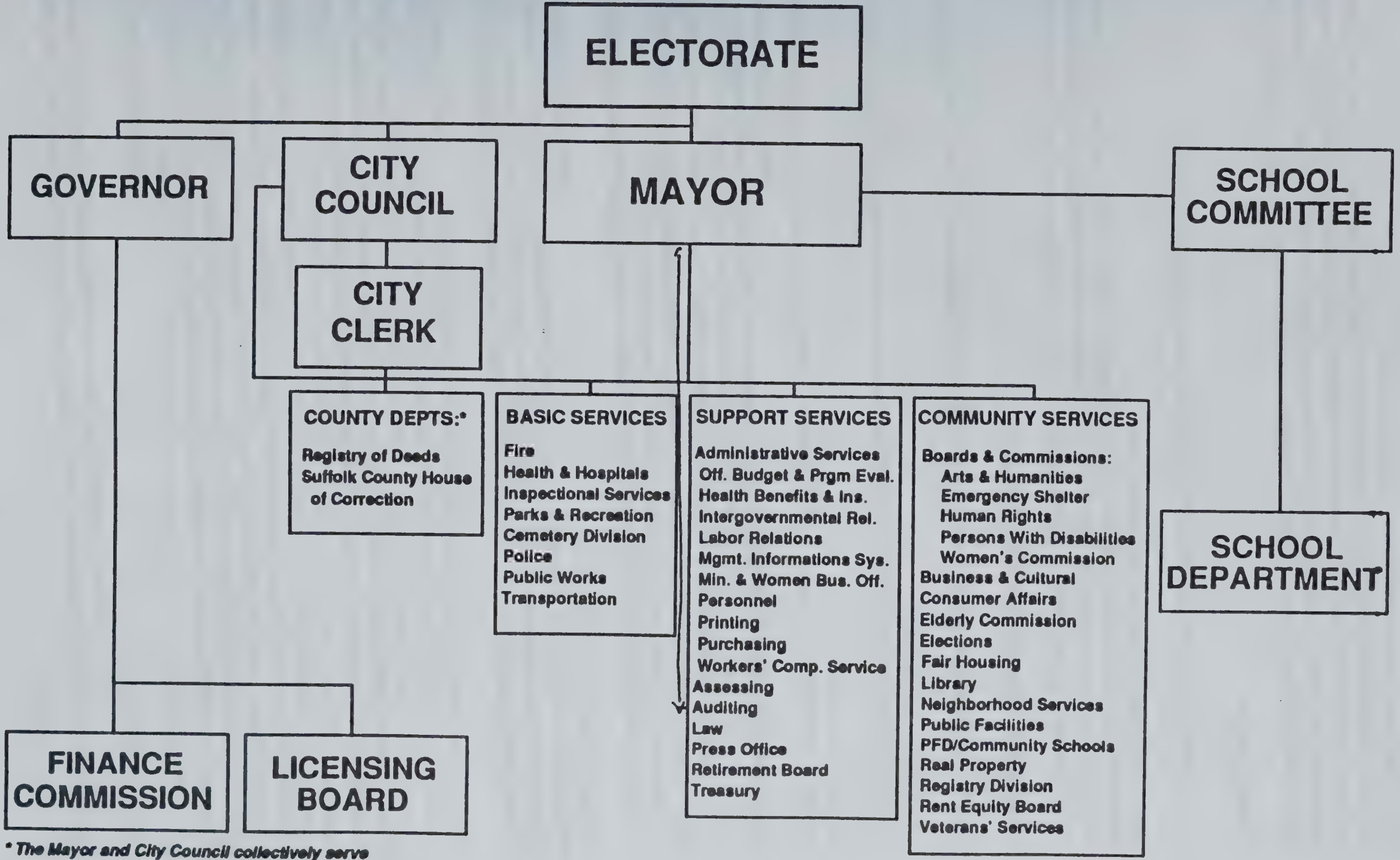
A review of the purchasing and procurement processes suggests a high potential for reducing costs and improving the performance and efficiency of city services. A number of problems exist that add time and unnecessary expense to the City's energy purchases and infrastructure. [See Tab 7 which includes Arthur D. Little Progress Update: City of Boston Procurement Project]

Set up an interdepartmental working group to work on improvements to the purchasing system

1-Utilize a third party utility auditing firm to review old utility bills and to establish procedures for review of current bills.

2-Establish a credit card payment system and a network of privately maintained gas stations and centralized City facilities for fueling city vehicles.

CITY OF BOSTON ORGANIZATION CHART


ELECTORATE
GOVERNOR
CITY COUNCIL
MAYOR
SCHOOL COMMITTEE
CITY CLERK
COUNTY DEPTS:*
Registry of Deeds
Suffolk County House of Correction
BASIC SERVICES
Fire
Health & Hospitals
Inspectional Services
Parks & Recreation
Cemetery Division
Police
Public Works
Transportation
SUPPORT SERVICES
Administrative Services
Off. Budget & Prgm Eval.
Health Benefits & Ins.
Intergovernmental Rel.
Labor Relations
Mgmt. Informations Sys.
Min. & Women Bus. Off.
Personnel
Printing
Purchasing
Workers' Comp. Service
Assessing
Auditing
Law
Press Office
Retirement Board
Treasury
COMMUNITY SERVICES
Boards & Commissions:
Arts & Humanities
Emergency Shelter
Human Rights
Persons With Disabilities
Women's Commission
Business & Cultural
Consumer Affairs
Elderly Commission
Elections
Fair Housing
Library
Neighborhood Services
Public Facilities
PFD/Community Schools
Real Property
Registry Division
Rent Equity Board
Veterans' Services
SCHOOL DEPARTMENT
FINANCE COMMISSION
LICENSING BOARD

The Mayor and City Council collectively serve as the Suffolk County Commissioners.

TAB 1

Organization of the Financial Sub-Cabinet
Current Structure and Opportunities

Current Structure

By many measures Boston's financial house is in good shape. The City's operating budget has consistently been balanced. The reports of the independent auditor, Peat Marwick, show a responsiveness to correcting problems and improving fiscal operations. The municipal market continues to welcome and value Boston bonds.

Currently, Boston's financial functions, budget, assessing, auditing and treasury are located in discrete departments with common lines of reporting. Capital budgeting is a division of the Public Facilities Department. The auditing, treasury, and assessing department report directly to the Mayor, while the budget office reports to the Director of the Administrative Services Department(attached organization chart). There is a significant amount of effective informal and periodic communication and collaboration. These efforts are best evidenced by the process of selling bonds or preparing financial statements that require a joint effort by all of the City's financial departments. In the area of developing or revising citywide financial procedures, guidelines for establishing checking accounts or management information systems, the process breaks down. Efforts to work out interdepartmental problems are initiated, but often the initiating departments meet with limited cooperation and will move forward finding it "easier to do it yourself."

Opportunities

The City's financial functions have worked well by relying on informal networks, ad hoc teams, and strong department heads. Opportunities exist to restructure and create an institutional framework that supports teamwork, cooperation, and the development of citywide financial policies.

The organization of a financial sub-cabinet reporting to a Chief Financial Officer creates the potential for significant improvement in coordination, and possibly efficiency. The sub-cabinet should include the following functions auditing, treasury, budget (including operating and capital budgets), assessing, and the creation of a new office, external funds (see attached organization chart). It for the first time would identify the City's financial functions as requiring a degree of cooperation and strategic planning. It also allows for the establishment of citywide performance measures and the development of citywide financial policies. Additional advantages of improved coordination are increased productivity and customer satisfaction.

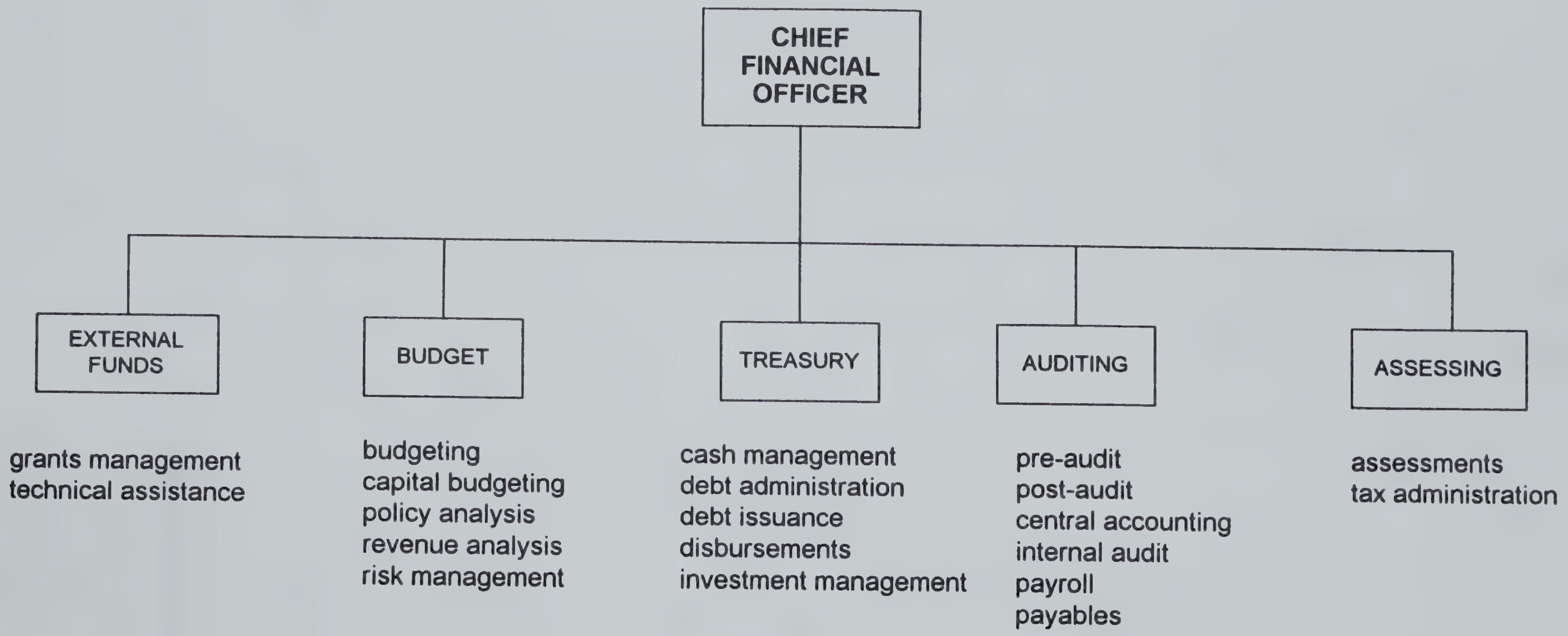
To manage the newly established sub-cabinet the City should hire a CFO. The establishment of a Chief Financial Officer with responsibility for revenue generation and allocation of all City financial resources fixes the accountability with one individual. A strong CFO has the potential to increase the timeliness of decision making by managing turf battles and resolving interdepartmental conflict.

A thorough process audit of the key financial functions, for example the contract review process, might produce financial savings from the elimination of duplicate functions.

Development and implementation of ongoing citywide financial functions would be helped by the improved intra-cabinet communication. A sub-cabinet structure would establish a structure of peers with comparable responsibility and authority, and clear lines of authority and reporting.

The City's primary source of financial information is the Legislative Financial Management System (LGFS). This system provides financial information vital to both the operating and capital budgets, the auditing department, and the treasury department, yet there is a significant amount of duplication and under utilization of the systems capabilities. A coordinated review of the system's capabilities and assessment of user department needs would be a good first step.

PROPOSED FINANCIAL SUB-CABINET


CHIEF FINANCIAL OFFICER
EXTERNAL FUNDS
grants management
technical assistance
BUDGET
budgeting
capital budgeting
policy analysis
revenue analysis
risk management
TREASURY
cash management
debt administration
debt issuance
disbursements
investment management
AUDITING
pre-audit
post-audit
central accounting
internal audit
payroll
payables
ASSESSING
assessments
tax administration

The Organization of the Finance Function in City Government

Paper prepared by:
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Kennedy School of Government
Harvard University

Mayor Menino's Transition Team,
January, 1994

The Organization of City Finance

The 'Chief Financial Officer' model of city finance organization is likely to serve Boston well, as it does for many cities around the country. It can lead to more strategic decision making and less duplication of effort.

In detail, the organizational structures of city finance departments around the country vary widely. Strange artifacts from a city's history pop up periodically. Some finance departments manage the phone system, while another has 'weights & measures' in its domain. Practically all, however, have the basic finance functions in common. In 1985, the Government Finance Officers Association (GFOA) conducted a survey of 551 government "units", 85% of which were municipalities. They discovered that 22 functions were present in most finance organizations (see Appendix 2 for the list).

For this study, we selected 8 cities of comparable size and complexity to Boston: Atlanta, Baltimore, Cleveland, Denver, Milwaukee, Portland, Seattle and San Francisco. For each city, we interviewed the deputy director of finance, budget director or similar person (see Appendix 3 for the Interview Protocol). All of the 22 functions identified by the GFOA were located and a finance organizational chart was created for each city (see Appendix 1). In addition, we asked questions pertinent to issues the Boston transition team is trying to resolve.
Seattle has recently gone through a major reorganization of its finance structure. Two elected positions were eliminated and a new finance department was created. We conducted several interviews with Seattle staff people and have profiled their transition process as well as the organizational structures before and after. The current Seattle Director of Finance, Betsy Reveal (former Director of Finance for Philadelphia) had some interesting insights into many of our questions. Her responses are also included.

We begin by summarizing the patterns we found within finance departments, then review the responses to transition team questions and discuss their applicability to Boston. We cover some problems finance groups experience, then conclude with an examination of the Seattle reorganization.

What are the patterns in the organization finance departments?

Although the GFOA study yielded some interesting information, their study included a broad range of cities and their results may not be completely applicable to Boston:

"The GFOA survey reported a tendency for certain of the 22 listed finance functions to be assigned to the same supervisor. Pre-audit, payroll, disbursements, debt administration, and central accounting formed one such organizational grouping that appeared with high frequency..."

"Cash management and investment management appeared as another strong combination put under common leadership. On the other hand, tax billing was frequently found to stand alone with its supervisor. The other 14 functions showed a variety of inconstant combinations." p. 341

In our review, we found some slightly different patterns (See Appendix 1 for each city's organizational chart). Debt Issuance and Debt Administration were located together for all 8 cities. Cash Management, Investment Management and Disbursements were often grouped, though sometimes Disbursements were located in the frequent Central Accounting-Payroll combination. Budget and Policy Analysis and Research were commonly joined, although Policy Analysis and Research occasionally took place in more than one office. When Tax Billing was handled by the city (and not the county or state), it was usually located with Revenue Collection.

Portland also referred to difference in skills and perspective between the budget and accounting functions. Although the Portland budget office has a close working relationship with the accounting groups, they are managed by very different types of people, but they all report to the Director of Finance and Administration (essentially the CFO).

* Strategic in this case means looking at the goals and long term needs of the city in comparison to the resources it will have and the resources it will need to gather. It entails examining the best ways to use and leverage the city's financial and other resources to meet both long term and short term needs.

All things considered and assuming that the Boston CFO's perspective will reach into the policy arena, it appears to make more sense to place the budget function within the finance department, both to improve the quality of the budget process and to reduce inefficiency.

How do cities handle Internal Audit?

Four of the eight cities (Baltimore, Denver, Portland and Seattle) locate the internal audit function in an independently elected or appointed auditor who does not report to the mayor or CFO. In Denver, the independently elected auditor has other financial responsibilities as well and has turned the office into a very political entity in his unsuccessful races for mayor. However, this is the only city where the auditor has other substantial finance-related responsibilities and the only one where the separation seems to have impeded effective management. For the other cities, the separation of internal audit doesn't appear to present a problem.

The other four cities have internal audit departments within the CFO's office, and Seattle is considering this possibility. Seattle makes the argument that this presents no conflict because the city government is highly decentralized. Many departments have some kind of financial responsibility and it is these groups who need review by internal audit. This is especially the case since Seattle replaced active pre-audit with written policies and procedures to reduce the volume of work within Finance. Therefore, internal audit plays the vital role of verifying that the procedures are followed.

The same sort of logic seems to underlie the structure in Atlanta. The city's internal audit department does report to the CFO, but the CFO has a dual reporting responsibility to the mayor and to the council. Either entity can request an audit and the audit reports go back to either or both.

San Francisco adds a twist. The internal audit department (located in the controller/CFO's office) is responsible for internal audit on all but themselves. The Board of Supervisors (SF's city council) is responsible for auditing the controller's office.

The placement of internal audit depends both on the current development phase of the organization and on the goals for internal audit, according to Betsy Reveal. If a new CFO needs a tool to facilitate a "top to bottom" review of the city's financial practices, then it might make sense to have internal audit report to the CFO. However, it is very important for the Mayor to have on-going, objective, "arms-length" information about the management (financial and otherwise) of the city. Either the COO or the CFO can, perhaps even unwittingly, compromise that objectivity. Therefore, for the long run, it is important to have some independence built in for internal audit. Having internal audit report directly to the Mayor may be the only way to ensure a continuing, objective look at the city. Again, Reveal suggests that the question of internal audit should be examined from all five "visions" on the issue (financial, operational, legal, strategic and political).

In light of this, Boston may want to have internal audit report with a dotted line to the Mayor, with the operational understanding that the CFO will have primary initiative authority for requesting audits. Another option is to appoint an audit committee to help the Mayor manage and review internal audit activity and reports.

What involvement does the finance department have in benefits procurement?

Cleveland, Denver, Milwaukee and San Francisco have informal but important connections between their finance departments and benefits procurement. These connections range from finance staff sitting on benefits committees to finance departments developing the costs for services bids. Baltimore has a slightly more formal process: the CFO chairs the health benefits committee. In Seattle, the CFO sits on the retirement board.

The Portland Department of Finance and Administration has the complete personnel function within its area. Benefits procurement is managed out of the Office of Risk Management. The Personnel department has never had responsibility for it. After discussion, the city decided that employee benefits had more in common with Risk Management and Finance than with Personnel. This is partly due to the fact that some of Portland's benefits are provided through self-insured funds managed by the city.

The Atlanta CFO also supervises the benefits portion of Human Resources (HR). When the Atlanta CFO position included a wider range of administrative functions and the HR function quite small, the entire HR department was within finance. When HR spun off, it was decided to leave benefits in finance since it was seen as part of payroll processing. Now that benefits have become a more significant part of both HR and Finance management challenges, there have been attempts by HR to take it on, but the CFO will probably maintain supervisory control because of the financial impact on the city.

There does not appear to be an overwhelming argument for formalizing the relationship between finance and benefits procurement. Both finance and personnel departments gain something by having finance involved in the procurement process; having the relationship evolve informally appears to work well.

Who owns the capital budget?

In every city but Baltimore, the current year's capital budget was done by the budget or financial planning departments. Often, the budget offices completed three or five year plans as well. Planning divisions were frequently involved, but from the standpoint of approving or overseeing the final product, rather than developing it. Seattle made the important point that it was vital to tie long term capital plans to the debt management strategy of the city. In fact, Atlanta has placed the capital budget responsibility within the same group that handles debt issuance and administration. In Baltimore only, the capital planning department receives spending targets from the budget office and the planning group does the annual budget and the long term plan.

For most cities, the capital planning departments were more focused on long term planning and implementation issues than annual budgeting questions. This was especially true for San Francisco which has very long lead times for capital projects.

All cities found it important to have close connections between capital planning and finance. There is an opportunity in Boston to introduce more effective financial management by structuring closer links between planning and finance. Based on responses from other cities, Boston will be able to manage its resources more effectively for the long run by having the capital budget and planning process more fully integrated with the rest of the financial functions in the city.

Are capital, CDBG and operating budget discussions and processes integrated or separate?

Because most finance departments create the capital budgets, the processes for capital and operating discussions are integrated, although many cities produce separate capital and operating documents. As a rule, CDBG budgets are developed by the department who receives the grant, then passed on to finance. Denver is trying to integrate CDBG into the operating budget process. In Portland, the CDBG budget process is fully integrated with capital and operating budget processes.

Who handles revenue and expense estimates?

In Baltimore, Cleveland, Denver, Portland, and Seattle, the budget offices handle both revenue and expense estimates. The ease with which this is accomplished varies dramatically depending on how accessible the information is from the departments that produce the original data.

One of Milwaukee's biggest problems is that revenue and expense estimates are handled independently under separate elected officials. There are strong working relationships between the people involved, so they manage it, but this split has created some difficulty.

San Francisco has a highly decentralized political structure. Most financial power is vested in the Controller (their CFO), who is appointed by the mayor for a ten year term and can be removed only for incompetence by the council. The controller chairs an informal working committee that includes the Mayor's budget office and the Board of Supervisor's budget analyst to agree on the revenue estimates. For expense estimates, control rests entirely with the Controller. San Francisco has a very tight balanced budget requirement. The Controller has the responsibility for making sure departments don't go over budget. He can cut the funding of departments mid-year if revenue estimates are short of the annual city budget.

In general, it seems most effective to locate revenue and expense estimation in the same department to facilitate awareness potential cash and debt management issues as well as opportunities to better leverage the city's resources.

Informal Structures

Where cities do not have a fully integrated finance office with a CFO, they tend to have CFO-like positions. In Boston, that role has most recently been played by the Administrative Services Director. In Milwaukee and Denver, the finance functions are evenly split and no one person plays the CFO role. In those cities over time, there have been periods of conflict as well as strong team relationships between the two people who each have some of the responsibilities, depending on the administration and the personalities involved.

Independent of the CFO question, we saw many informal solutions to structural problems with organizational design. Generally, staff people established working committees or agreed to institutionalize responsibilities in practice, if not on paper. While conflict was sometimes inevitable and turf battles of course happened, there was a remarkable degree of coordination apparent.

Portland has taken a very innovative approach to harnessing the power of informal structures. About 18 months ago, they embarked on a quality improvement process, along the lines of Total Quality Management (TQM). They essentially broke down the organizational walls between departments within the Office of Finance and Administration. The fourteen department heads became "team leaders" who together comprise the finance and administration management team. They see each other both as team members and as customers of each other's services. For example, as part of the budget process, the budget team leader has debriefings with his "customers" to review the highlights and problems with the budget and its process. He then reviews those issues with the management team and works together with them to develop solutions.

This new approach has led to a much more integrated and effective strategy for managing the city's resources. It has changed their attitudes from focusing on conducting their normal processes well to focusing on continually improving the processes themselves in addition to trying to do them right. There is also a much greater emphasis on shared responsibility for the financial health of the city rather than on turf battles over who should or should not do what.

Preventing Conflict

Centralizing finance responsibility under a CFO definitely facilitates decision-making and cuts down on time spent in conflict management and turf battles. However, where the structure wasn't so tidy, we repeatedly saw individuals working outside the organizational structure resolve conflicts themselves.

Officials suggested that it was important to have clear lines of authority and responsibility in setting up the finance department. This means paying close attention to hierarchical relationships and ensuring that people whose functions will inevitably conflict are peers or have some balance in their relationship. For example, if the budget director is on the Mayor's staff and the Finance Director holds a cabinet position, it may not be clear who has final authority. Will the budget director always be invited to Cabinet meetings? Such symbols can carry weight because they often indicate who has the power to make decisions and have them stick.

If position is vested with some operational responsibility, it is important to also grant that position the formal decision-making authority and organizational resources necessary to accomplish the task. By careful attention to these nuances, the potential for conflict can be minimized.

A final word on Informal Structures

No organizational structure is going to solve all problems, of course, but a city can avoid creating problems with its structure. Informal solutions to structural problems abound. They can serve an important coordination role and help any city run more smoothly.

There are some problems with too great a dependence on informal structures, however. First, their successful functioning is dependent on the people who are in them. Second, they can cut off appropriate citizen involvement or oversight. Lastly, they can override checks and balances the organizational designers build in. When establishing organizational structures, checks and balances should not be so cumbersome that they are abandoned altogether.

Beyond function, it is also important for top management to define roles and regular channels of communication. In one city, where the finance functions were split between two groups, both reporting to the mayor, past mayors have had to spend a lot of time resolving conflicts between these two groups. Now, the two agency heads have a strong relationship and keep a running agenda in regular meetings to make sure each one knows what the other is doing and reduce the potential for conflict.

More on the CFO

Generally, the people we spoke with were happy with the CFO structure. Officials in cities without an integrated finance agency often expressed frustration at the divided nature of the organization. Separating the finance functions appeared to slow decision-making and increase reliance on informal structures.

More broadly, Betsy Reveal discussed other issues to be considered in a transition. In trying to decide whether the CFO or the Chief Operating Officer (COO) should have responsibility for HR, she believes you should consider whether the challenges in the next few years will be operational (reengineering or negotiations, for example) or financial (cost control, for example).

Lastly, she had some advice on the selection of the COO and CFO. Ms. Reveal believes it is vital that the Mayor, the COO and the CFO share the same values, be compatible as practitioners and be able to work closely together. The personalities have to be right and roles well-defined for the team to be really effective, but a closely working, compatible Mayor/COO/CFO team can have a significant positive impact on the management of the city.

A Case Study: Seattle, Washington

In November, 1991, during the second year of Mayor Rice's four year term, Seattle voters passed an initiative to eliminate the elected positions of Treasurer and Comptroller and consolidate the functions into a newly created department of finance under the Mayor. The transition team formed in January, 1992. The new departments were first budgeted in 1993.

Seattle projects savings of approximately $500,000 annually as a result of the reorganization. The savings come mostly from eliminating duplication of services and equipment as well as the personal staff and travel expenses for the two elected officials. The staffs of the former Controller and Treasurer totaled 132 positions; approximately 9 of those were eliminated. The new Finance department had 109 people in 1993; the remaining 14 jobs were transferred to the Audit and Administrative Services Departments.

Although not much time has passed since the reorganization, there are several early lessons to learn from Seattle. First, so many people were involved in detailed planning for the reorganization that they got in each other's way. The finance reorganization transition committee had 17 people including two council members and career staff from across the city government. Six subcommittees had more than 10 people each on them. This led to the feeling that there were too many decision-makers.

In trying to carefully address employees' concerns about job security, the transition team people felt that they ended up tying the hands of the CFO, causing her some short term operational problems.

The transition team decided not to move the budget function into the newly-created finance department until after it had time to get the other functions in order and working smoothly. Their fear was that the budget process would swamp the other functions and the overall financial management of the city would suffer. This has caused some significant short term problems with coordination and duplication of work between budget and finance.

It appears that the new Seattle Finance Department has brought a new attitude about financial management to the city. Officials now look at questions more strategically than the finance groups had in the past. This affects both the way they are perceived and the needs they place on other departments. In any transition like this, new organizational cultures will evolve, and they are bound to cause some strain. The key goal is flexibility and a willingness to ride with the changes. The new approach is very good for the city, even as it struggles through these cultural and structural changes.

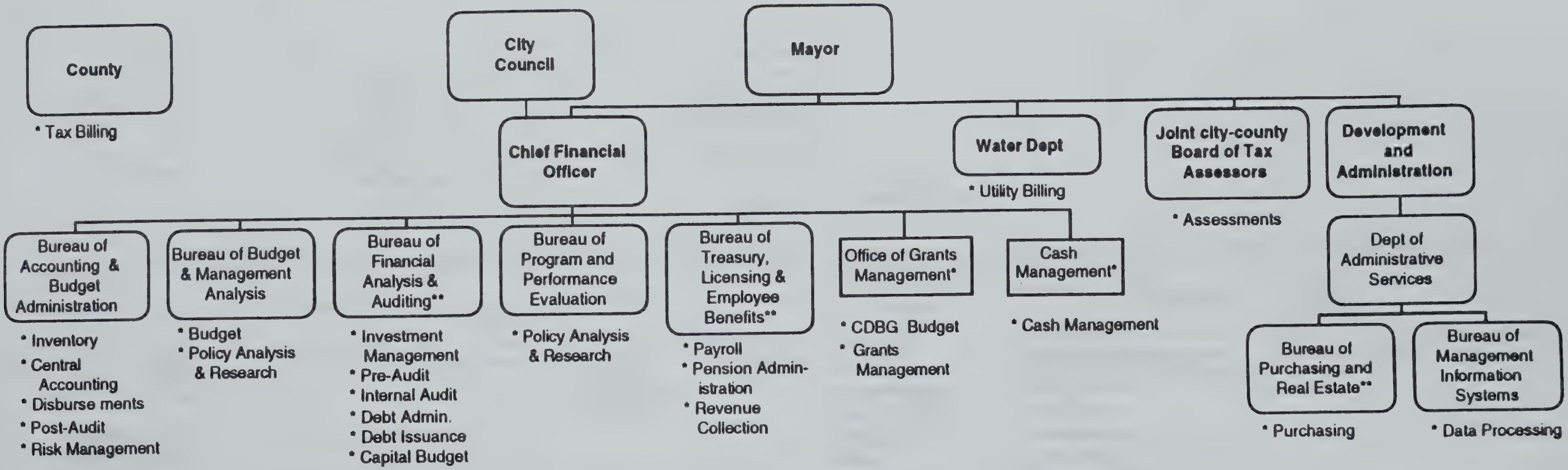
There are many things Seattle did right in the reorganization process. They developed a mission statement with underlying objectives. They had strong leadership, which everyone considered very important. After a few shake-out months, the objectives and missions set by the transition team for the new departments needed to be redefined. They suggested to us that those involved in designing the new Boston organization should be aware of the importance of allowing the new staff latitude to build on the work the transition planners have done and move the organization forward even more. Once the transition team sets up the initial structure, missions and objectives, the people doing the new jobs will discover ways to take the transition team's efforts onto the next step in the organization's development. This is a natural evolutionary process, but may be difficult for those who did the transition planning. The new department will need the freedom to do some restructuring following the initial reorganization, after they discover which of the ideas that sounded good in theory didn't work well in practice.

The other important element of the Seattle reorganization was the commitment on the part of the Mayor. The Mayor had to be bought in on the objectives and plans of the reorganization before it started. Any reorganization carries with it some pain. By making sure the Mayor was clear on and strongly supportive of the plans, major midstream corrections due to political pressure (which could have had devastating impacts on the effectiveness of the new group) were avoided.

In conclusion, Boston can expect some very positive results with the creation of the CFO position and the consolidation of the finance functions within one department. In the end, the finance department in Seattle does run more effectively and more smoothly under the new system. Their decision-making horizon has been able to shift outward with a better understanding of the implications of choices they make now. With careful implementation, the city of Boston will see the same beneficial outcome.

ppendix 1

tlanta City Government Finance Structure

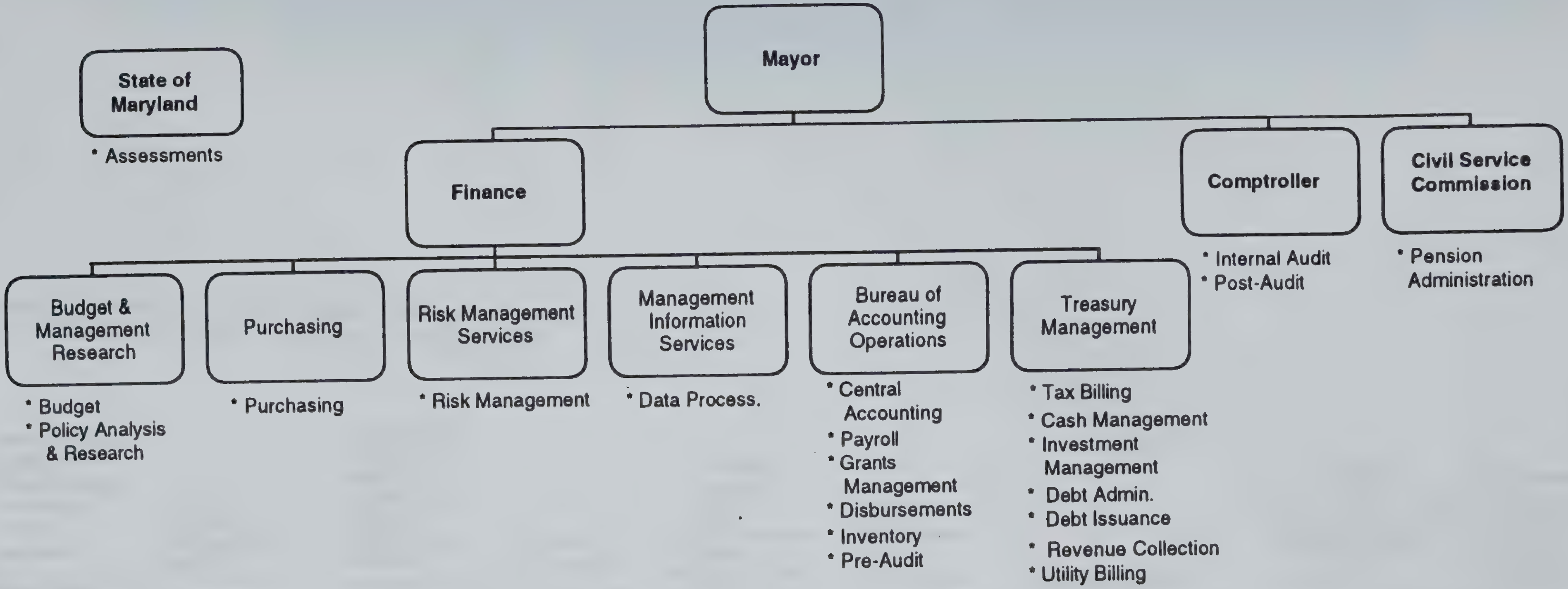

County
• Tax Billing
City Council
Mayor
Chief Financial Officer
Water Dept
• Utility Billing
Joint city-county Board of Tax Assessors
• Assessments
Development and Administration
Dept of Administrative Services
Bureau of Accounting & Budget Administration
• Inventory
• Central Accounting
• Disburse ments
• Post-Audit
• Risk Management
Bureau of Budget & Management Analysis
• Budget
• Policy Analysis & Research
Bureau of Financial Analysis & Auditing**
• Investment Management
• Pre-Audit
• Internal Audit
• Debt Admin.
• Debt Issuance
• Capital Budget
Bureau of Program and Performance Evaluation
• Policy Analysis & Research
Bureau of Treasury, Licensing & Employee Benefits**
• Payroll
• Pension Administration
• Revenue Collection
Office of Grants Management*
• CDBG Budget
• Grants Management
Cash Management*
• Cash Management
Bureau of Purchasing and Real Estate**
• Purchasing
Bureau of Management Information Systems
• Data Processing

* These departments are administered out of the CFO's office.

** These departments have responsibilities beyond those listed here.

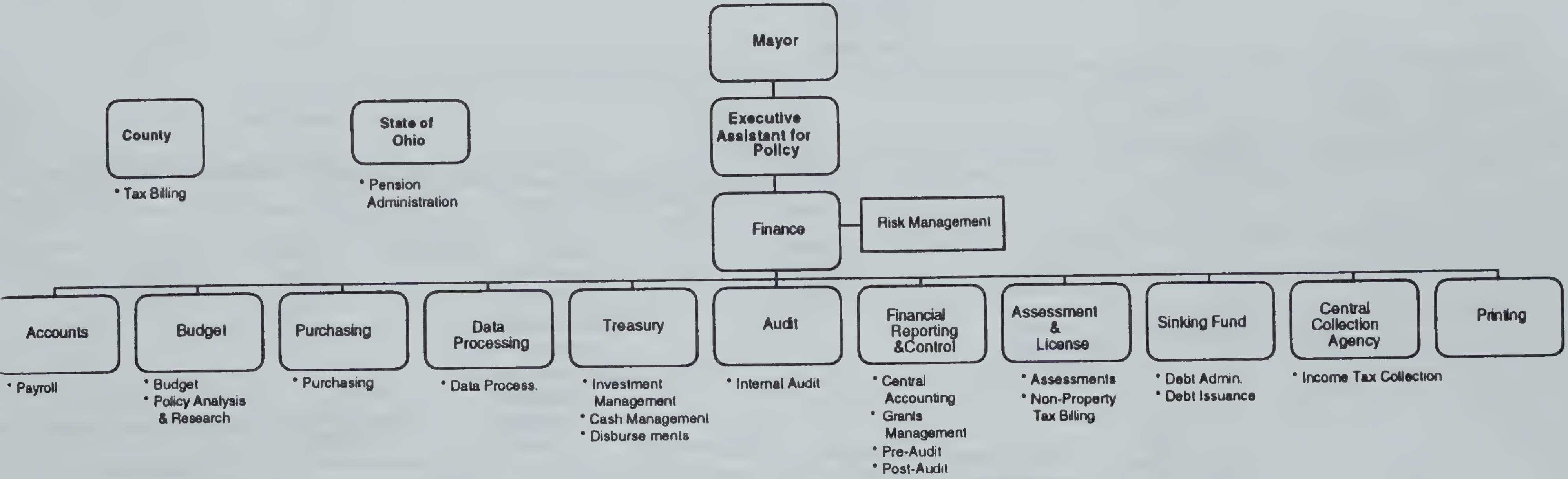
Appendix 1

Baltimore City Government Finance Structure


State of Maryland
* Assessments
Mayor
Finance
Comptroller
* Internal Audit
* Post-Audit
Civil Service Commission
* Pension Administration
Budget & Management Research
* Budget
* Policy Analysis & Research
Purchasing
* Purchasing
Risk Management Services
* Risk Management
Management Information Services
* Data Process.
Bureau of Accounting Operations
* Central Accounting
* Payroll
* Grants Management
* Disbursements
* Inventory
* Pre-Audit
Treasury Management
* Tax Billing
* Cash Management
* Investment Management
* Debt Admin.
* Debt Issuance
* Revenue Collection
* Utility Billing

endix 1

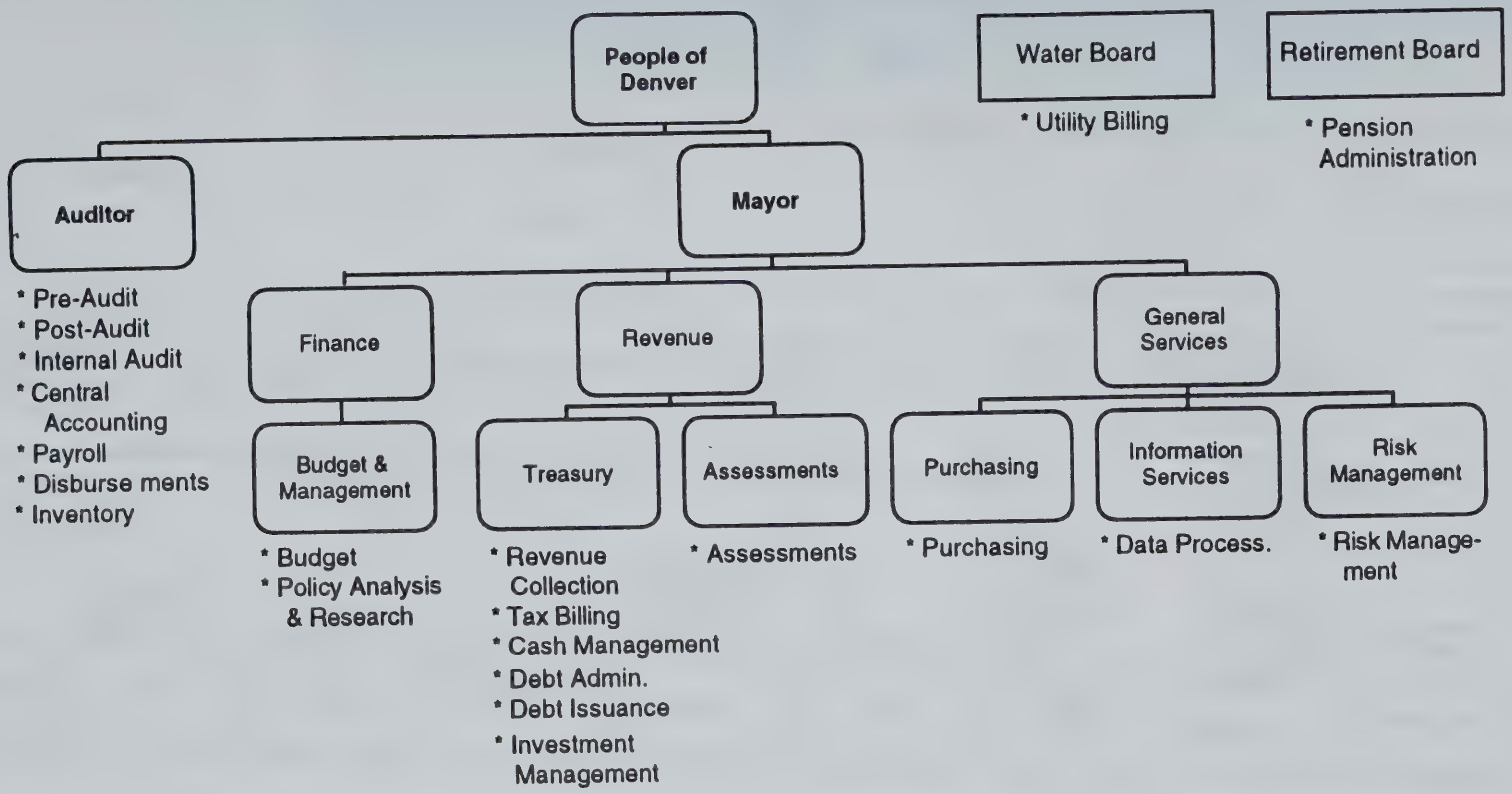
veland City Government Finance Structure


Mayor
Executive Assistant for Policy
Finance
Risk Management
County
• Tax Billing
State of Ohio
• Pension Administration
Accounts
• Payroll
Budget
• Budget
• Policy Analysis & Research
Purchasing
• Purchasing
Data Processing
• Data Process.
Treasury
• Investment Management
• Cash Management
• Disburse ments
Audit
• Internal Audit
Financial Reporting &Control
• Central Accounting
• Grants Management
• Pre-Audit
• Post-Audit
Assessment & License
• Assessments
• Non-Property Tax Billing
Sinking Fund
• Debt Admin.
• Debt Issuance
Central Collection Agency
• Income Tax Collection
Printing

nventory is done by each department and the list is submitted to accounting. There is no centralized inventory system.

Appendix 1

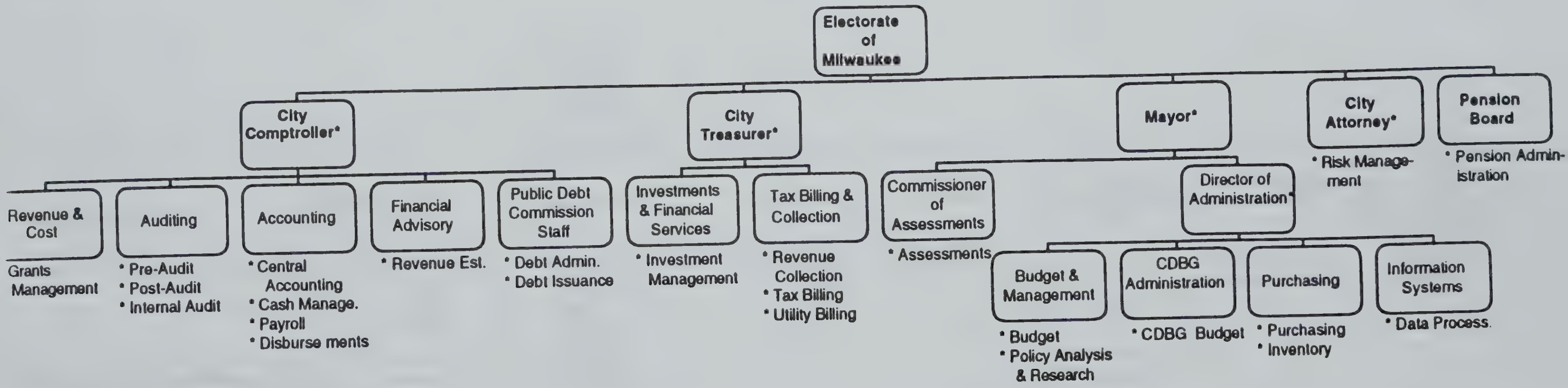
Denver City Government Finance Structure


People of Denver
Water Board
* Utility Billing
Retirement Board
* Pension Administration
Auditor
* Pre-Audit
* Post-Audit
* Internal Audit
* Central Accounting
* Payroll
* Disburse ments
* Inventory
Mayor
Finance
Budget & Management
* Budget
* Policy Analysis & Research
Revenue
Treasury
* Revenue Collection
* Tax Billing
* Cash Management
* Debt Admin.
* Debt Issuance
* Investment Management
Assessments
* Assessments
General Services
Purchasing
* Purchasing
Information Services
* Data Process.
Risk Management
* Risk Manage-ment

* Grants management is handled by the departments who were given the grants.

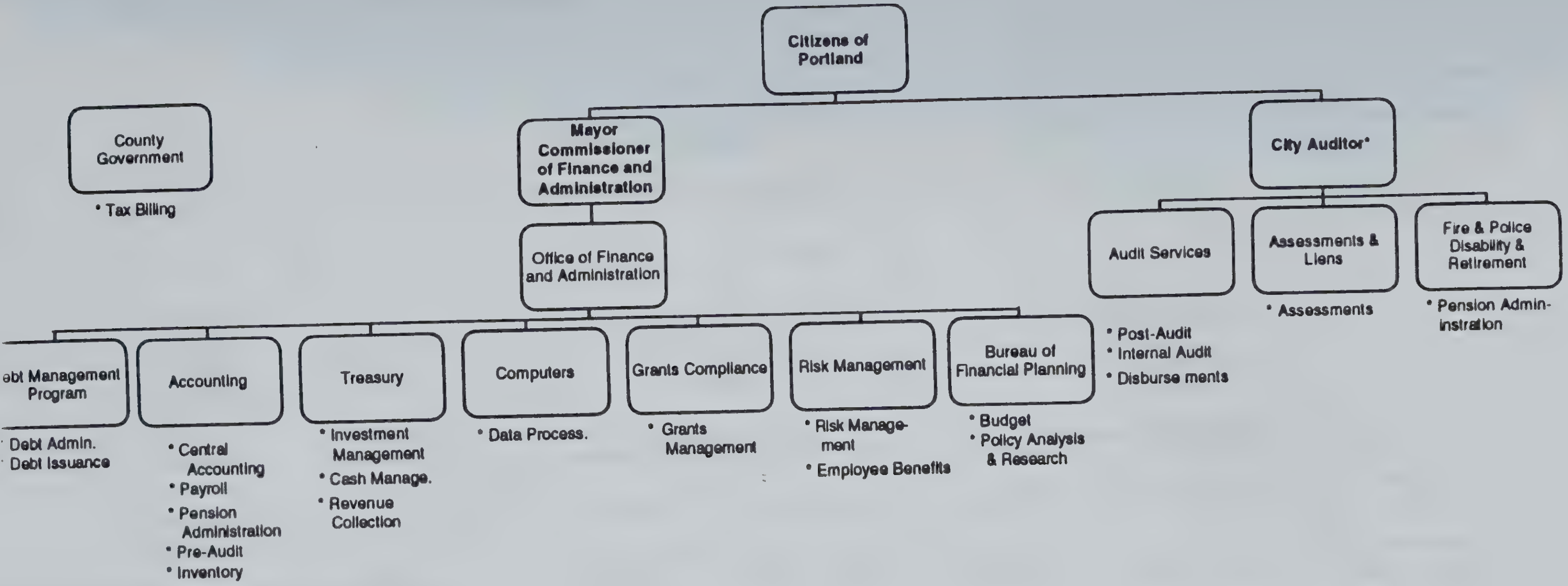
pendix 1

waukee City Government Finance Structure


Electorate of Milwaukee
City Comptroller*
City Treasurer*
Mayor*
City Attorney*
• Risk Manage-ment
Pension Board
• Pension Admin-istration
Revenue & Cost
Grants Management
Auditing
• Pre-Audit
• Post-Audit
• Internal Audit
Accounting
• Central Accounting
• Cash Manage.
• Payroll
• Disburse ments
Financial Advisory
• Revenue Est.
Public Debt Commission Staff
• Debt Admin.
• Debt Issuance
Investments & Financial Services
• Investment Management
Tax Billing & Collection
• Revenue Collection
• Tax Billing
• Utility Billing
Commissioner of Assessments
• Assessments
Director of Administration*
Budget & Management
• Budget
• Policy Analysis & Research
CDBG Administration
• CDBG Budget
Purchasing
• Purchasing
• Inventory
Information Systems
• Data Process.

This person has responsibilities beyond those cited here.

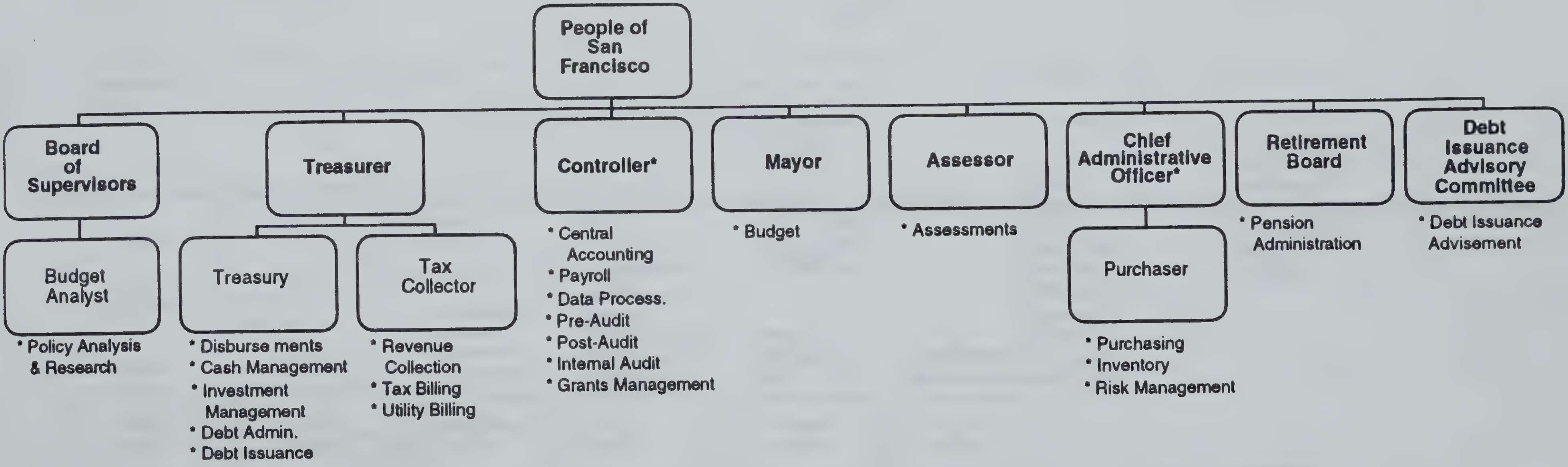
land City Government Finance Structure


Citizens of Portland
County Government
• Tax Billing
Mayor Commissioner of Finance and Administration
Office of Finance and Administration
City Auditor*
Audit Services
• Post-Audit
• Internal Audit
• Disburse ments
Assessments & Liens
• Assessments
Fire & Police Disability & Retirement
• Pension Admin-instration
ebt Management Program
Debt Admin.
Debt Issuance
Accounting
• Central Accounting
• Payroll
• Pension Administration
• Pre-Audit
• Inventory
Treasury
• Investment Management
• Cash Manage.
• Revenue Collection
Computers
• Data Process.
Grants Compliance
• Grants Management
Risk Management
• Risk Manage-ment
• Employee Benefits
Bureau of Financial Planning
• Budget
• Policy Analysis & Research

Purchasing and utility billing are handled by another city bureau.
This person has responsibilities beyond those cited here.

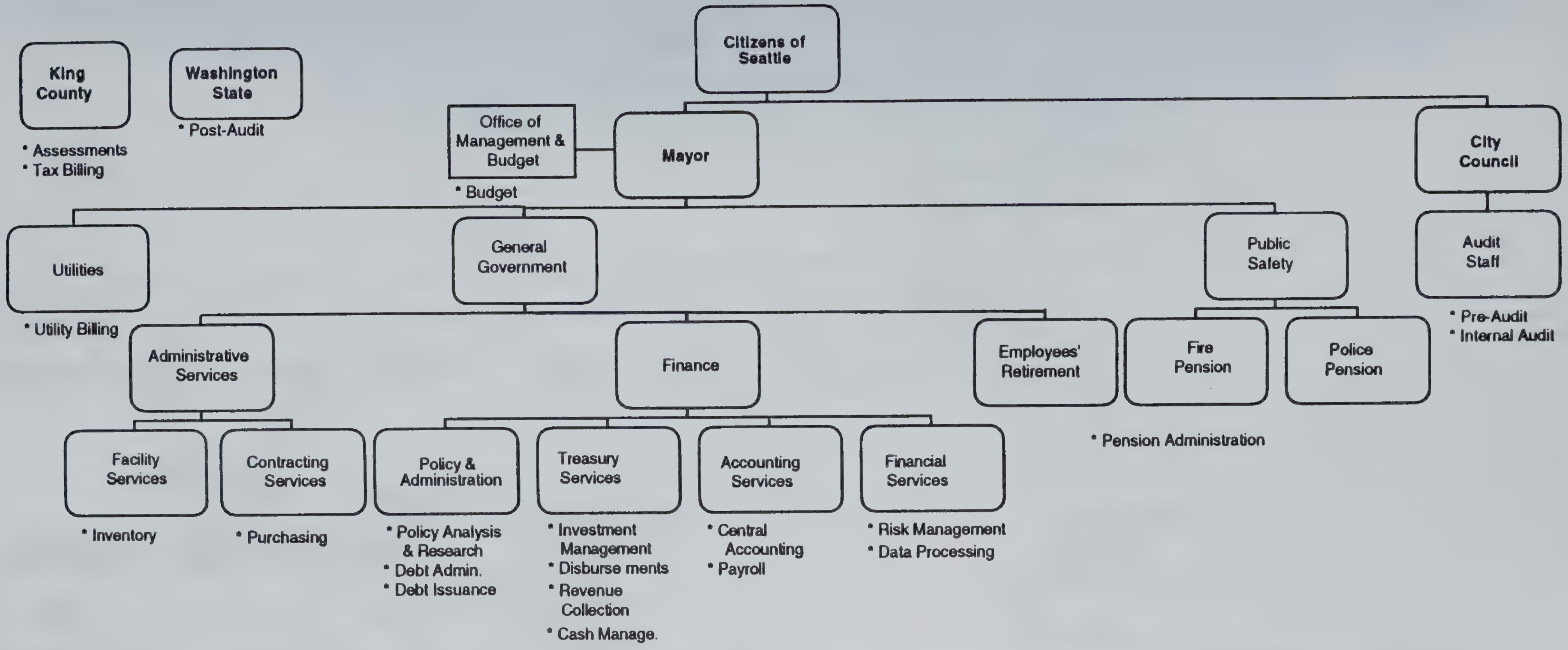
ppendix 1

n Francisco City Government Finance Structure


People of San Francisco
Board of Supervisors
Treasurer
Controller*
Mayor
Assessor
Chief Administrative Officer*
Retirement Board
Debt Issuance Advisory Committee
Budget Analyst
* Policy Analysis & Research
Treasury
* Disburse ments
* Cash Management
* Investment Management
* Debt Admin.
* Debt Issuance
Tax Collector
* Revenue Collection
* Tax Billing
* Utility Billing
* Central Accounting
* Payroll
* Data Process.
* Pre-Audit
* Post-Audit
* Internal Audit
* Grants Management
* Budget
* Assessments
Purchaser
* Purchasing
* Inventory
* Risk Management
* Pension Administration
* Debt Issuance Advisement

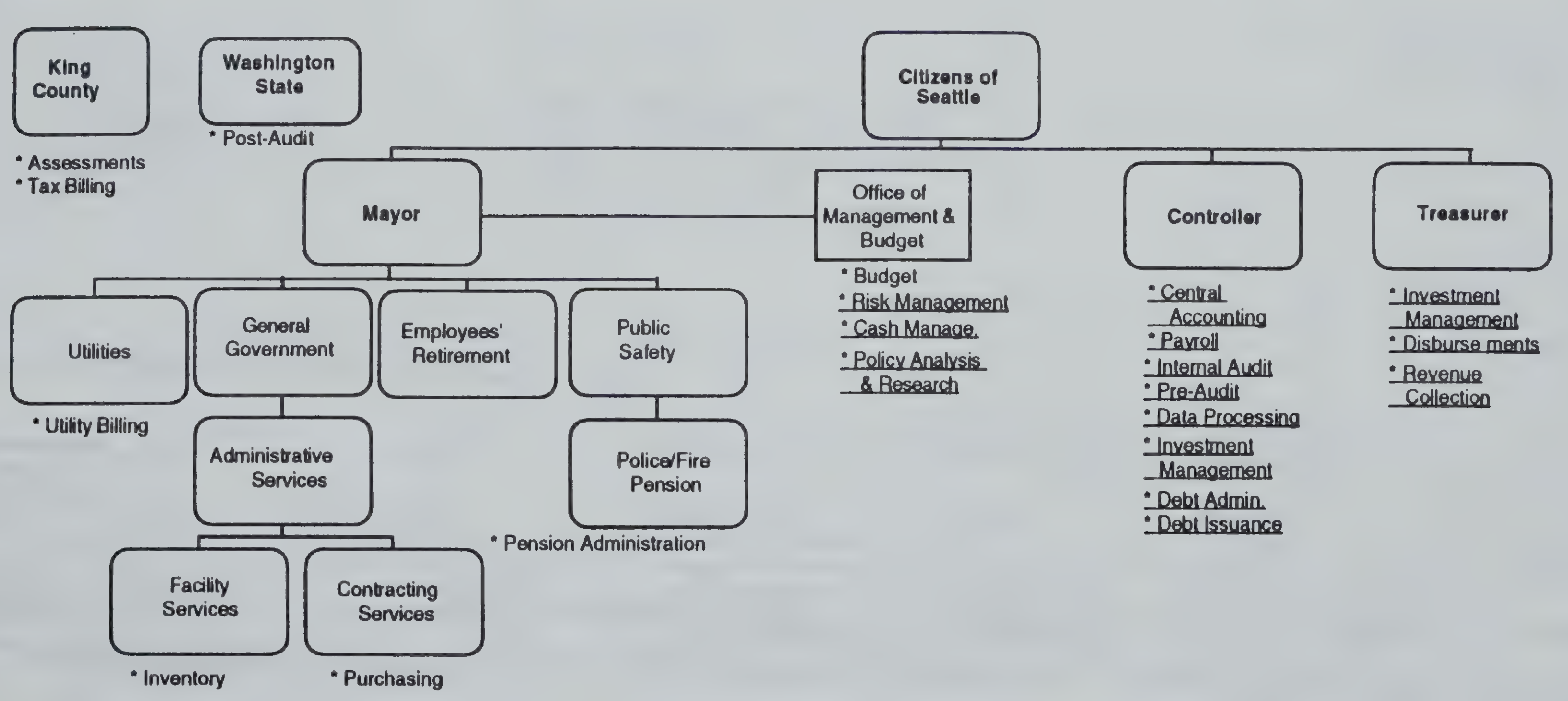
* This person has responsibilities beyond those cited here.

Current Seattle City Government Finance Structure


Citizens of Seattle
King County
• Assessments
• Tax Billing
Washington State
• Post-Audit
Office of Management & Budget
• Budget
Mayor
City Council
Utilities
• Utility Billing
General Government
Public Safety
Audit Staff
• Pre-Audit
• Internal Audit
Administrative Services
Finance
Employees' Retirement
Fire Pension
Police Pension
• Pension Administration
Facility Services
• Inventory
Contracting Services
• Purchasing
Policy & Administration
• Policy Analysis & Research
• Debt Admin.
• Debt Issuance
Treasury Services
• Investment Management
• Disburse ments
• Revenue Collection
• Cash Manage.
Accounting Services
• Central Accounting
• Payroll
Financial Services
• Risk Management
• Data Processing

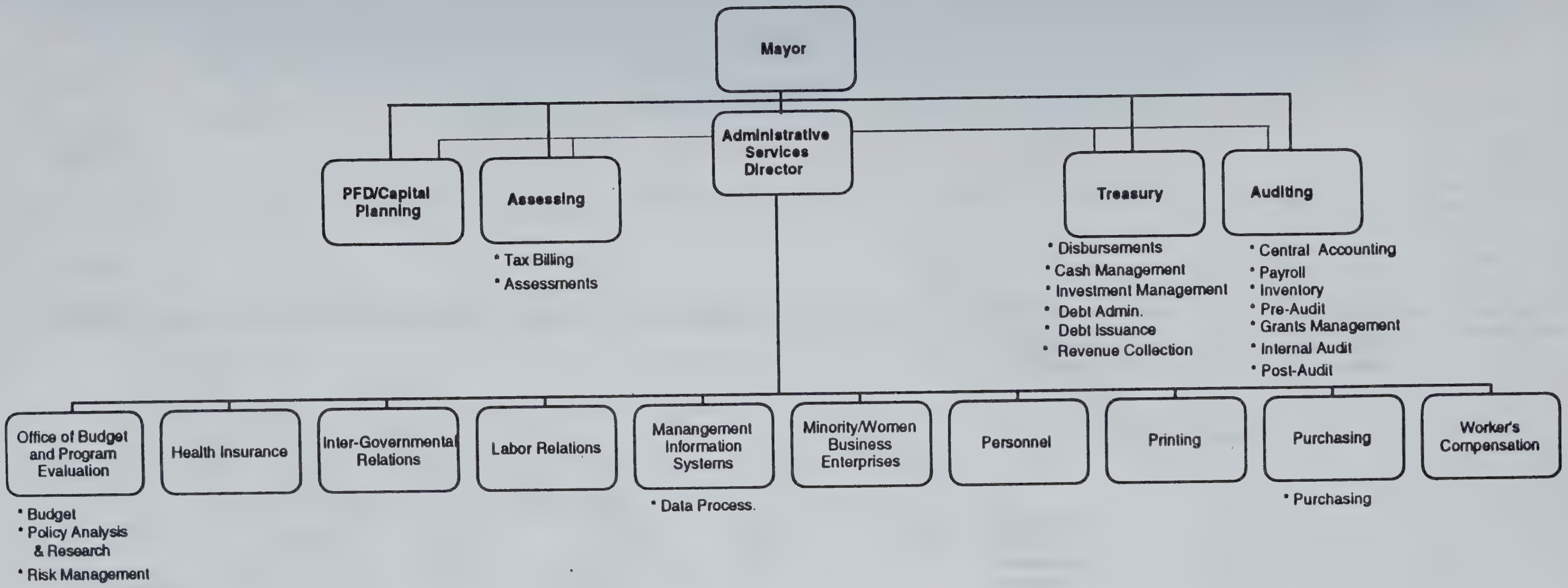
* Grants Management is handled by the individual departments who received the grants. The Department of Health & Human Services has the vast majority of grants in Seattle.

Past Seattle City Government Finance Structure


King County
* Assessments
* Tax Billing
Washington State
* Post-Audit
Citizens of Seattle
Mayor
Office of Management & Budget
* Budget
* Risk Management
* Cash Manage.
* Policy Analysis & Research
Controller
* Central Accounting
* Payroll
* Internal Audit
* Pre-Audit
* Data Processing
* Investment Management
* Debt Admin.
* Debt Issuance
Treasurer
* Investment Management
* Disburse ments
* Revenue Collection
Utilities
* Utility Billing
General Government
Employees' Retirement
Public Safety
Administrative Services
Police/Fire Pension
* Pension Administration
Facility Services
* Inventory
Contracting Services
* Purchasing

* Functions that are underlined were transferred to the new finance department as of Jan. 1, 1993.

ton City Government Prior to Mayor Menino

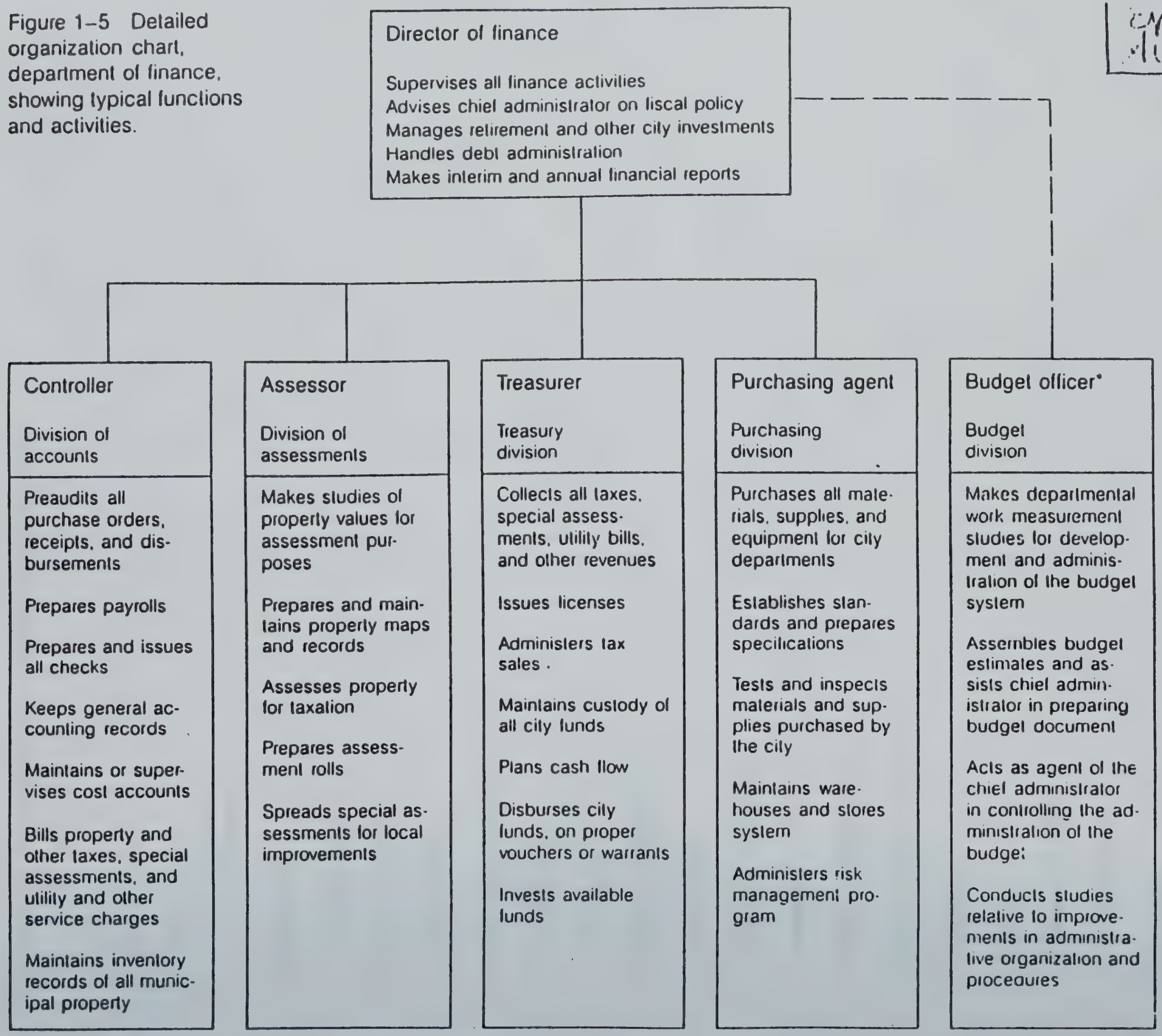

Mayor
PFD/Capital Planning
Assessing
• Tax Billing
• Assessments
Administrative Services Director
Treasury
• Disbursements
• Cash Management
• Investment Management
• Debt Admin.
• Debt Issuance
• Revenue Collection
Auditing
• Central Accounting
• Payroll
• Inventory
• Pre-Audit
• Grants Management
• Internal Audit
• Post-Audit
Office of Budget and Program Evaluation
• Budget
• Policy Analysis & Research
• Risk Management
Health Insurance
Inter-Governmental Relations
Labor Relations
Manangement Information Systems
• Data Process.
Minority/Women Business Enterprises
Personnel
Printing
Purchasing
• Purchasing
Worker's Compensation

ension Administration is handled outside the Mayor's organization by the SBRS.

, 3rd edition, Aronson & Schwartz

external auditor - hired by council

Figure 1–5 Detailed organization chart, department of finance, showing typical functions and activities.



Director of finance

- Supervises all finance activities
- Advises chief administrator on fiscal policy
- Manages retirement and other city investments
- Handles debt administration
- Makes interim and annual financial reports

Controller

Division of accounts

- Preaudits all purchase orders, receipts, and disbursements
- Prepares payrolls
- Prepares and issues all checks
- Keeps general accounting records
- Maintains or supervises cost accounts
- Bills property and other taxes, special assessments, and utility and other service charges
- Maintains inventory records of all municipal property

Assessor

Division of assessments

- Makes studies of property values for assessment purposes
- Prepares and maintains property maps and records
- Assesses property for taxation
- Prepares assessment rolls
- Spreads special assessments for local improvements

Treasurer

Treasury division

- Collects all taxes, special assessments, utility bills, and other revenues
- Issues licenses
- Administers tax sales
- Maintains custody of all city funds
- Plans cash flow
- Disburses city funds, on proper vouchers or warrants
- Invests available funds

Purchasing agent

Purchasing division

- Purchases all materials, supplies, and equipment for city departments
- Establishes standards and prepares specifications
- Tests and inspects materials and supplies purchased by the city
- Maintains warehouses and stores system
- Administers risk management program

Budget officer*

Budget division

- Makes departmental work measurement studies for development and administration of the budget system
- Assembles budget estimates and assists chief administrator in preparing budget document
- Acts as agent of the chief administrator in controlling the administration of the budget
- Conducts studies relative to improvements in administrative organization and procedures

Misc from GFOA list:

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* 'otted line between the director of finance and the budget officer

Appendix 2: GFOA List of 22 Common Finance Functions

- Assessments
- Auditing
  - pre-Audit
  - post-Audit
- Budgeting
- Central Accounting
- Cash Management
- Data processing
- Debt Administration
- Debt Issuance
- Disbursements
- Grants Management
- Internal Audit
- Investment Management
- Inventory
- Pension Administration
- Policy Analysis & Research
- Purchasing
- Payroll
- Revenue Collection
- Risk Management
- Tax Billing
- Utility Billing

Appendix 3: Interview Protocol

This is Diana Bender calling from the Kennedy School of Govt. at Harvard. I am a graduate student here helping the Boston mayoral transition team with some research on how city finance functions are organized in other cities- we are considering some re-organization in Boston. I have about 15 questions about the organization of your city's finance functions. My questions will take about 15-25 minutes to go over. Are you the right person to talk to? Could we set up a time to talk in the next few days, or would now be a good time?

I can fax you the questions I have if you'd like to look them over before the interview or if you'd prefer to respond on paper.

Let me say before we begin that I will not be quoting you or anyone by name in this report. If it is published, the data will be in tables, not in a reference to your city specifically (unless of course we have your permission).

Also, I'd be happy to send you a copy of my final report if you are interested.

NAME:

ADDRESS:

PHONE NUMBER:

Questions:

1. Where does budget authority lie?

Mayor? City council? City Manager? (What form of govt. do you have? strong mayor-council? weak mayor-strong council?)

2. How do you deal with internal audit?
(Since they generally don't report solely to the CFO, where do they go?)

3. Who owns the capital budget?

- who is responsible for capital planning (long term)

- who is responsible for choices about the current year's budget

4. What involvement do the finance/budget people have in benefits procurement?

(Since it is a major cost, but finance/budget people don't need to be involved in the administration of benefits)

5. The GFOA has created a list of finance functions found in most cities. I would like to make sure I know where all these functions are in your city. I've found many of them in your annual report or budget, but I'd like to go over it with you briefly to make sure things haven't changed and to cover the details that I couldn't find.
(locate each in some department, with budget and headcount)

6. Is there an independently elected financial officer or auditor?

7. Who resolves conflicts between departments when they arise?

8. Are capital, CDBG and operating budget discussions and processes integrated or separate?

9. Who does revenue estimates?

10. Who does expense estimates?

11. Prior to Mayor Menino, there was an informal organizational structure in Boston- the administrative director operated as the CFO- is there an informal structure like that in your city- a lead finance person whose job title doesn't necessarily reflect that? Is the lead person different for budget issues, bond issues and general financial management?

12. What problems do you have with your current structure?

13. Are they information/communication problems or decision-making problems?

14. Have you recently changed your organizational structure? If so, how does it compare to what you had before?

Did your new structure create any new problems?

TAB 2

Mission of the Financial Office

The Chief Financial Officer will convene the financial sub-cabinet and insure coordination of the City's financial processes. This coordination will be accomplished through:

Coordinating the gathering, analysis and presentation of budget data for the Mayor's proposed operating budget, plus the gathering, analysis, and presentation of revenue data. Further, developing proposed amendments to City ordinances or State law to ensure revenue predictability and reasonable growth;

Preparing and subsequently monitoring the City's capital budget, the coordination of long-range planning, the preparation of debt authorization for City Council, and the ongoing monitoring of capital project schedules and budgets;

Collecting and transferring all funds due the City(including property tax revenues, excise tax revenues, departmental revenues, health care reimbursements and payments, and state and federal aid),to include the deposit and prudent investment of all City funds; and the management of all City borrowings, and all City disbursements;

Determining the fair market value of all property in the City for the purpose of taxation, the assessment of property taxes, and the administration of motor vehicle taxes;

Implementing strict fiscal controls over department spending, the preparation of department and management expenditure reports, preparation of City financial statements, and conducting audits and reviews; and

Managing and coordinating the receipt and accounting for all external funds and the provision of timely technical assistance in the form of grant writing and development.

Position Description

The Chief Financial Officer(CFO) enhances and maintains the systems and processes necessary to efficiently allocate resources and generate revenues, and insure overall fiscal accountability for the City of Boston.

Reporting to the Mayor, through the Chief Operating Officer, the CFO directly supervises the management of the Treasury, Assessing, and Auditing Departments, the Office of Budget and Program Evaluation, the Office of Capital Budgeting, the Office of External Funds and the Office of Labor Relations.

The CFO 1) advises the Mayor and Chief Operating Officer on all policy and issues related to the financial health of the City 2) supervises the heads of each department and office within the financial group; 3) coordinates and evaluates the financial functions conducted by the financial departments and offices to ensure efficient operations; 4) oversees the negotiation of all labor relations contracts; and 5) maintains and develops the financial policies, functions, and operations in effect throughout the City of Boston.

Additionally, the Chief Financial Officer implements changes to restructure and streamline the functioning of agencies in the Finance Sub-Cabinet to ensure responsiveness, accountability, and predictability in the day-to-day and long term financial functions of the City.

To successfully perform these functions the Chief Financial Officer must employ critical, evaluative, and strategic thinking to establish operating precedents for departments and offices within the parameters outlined by the Mayor and any applicable statutes. Control over implementation of these initiatives is exercised through review or veto of department or office decisions or operations to ensure said are in keeping with broad policies and objectives outlined by the CFO. It is enhanced by the development of a strong, creative and cooperative financial management team

This position directly supervises the Collector/Treasurer, Assessing Commissioner, the Auditor, the Director of OBPE, the Director of Capital Planning, the Director of Labor Relations, and the Director of External Funds.

Requirements

Exceptionally strong financial management skills, excellent managerial skills, the ability to think strategically and develop financial policy. Proven experience developing management teams. Boston residency.

TAB 3

Operating and Capital Budgets
Current Structure and Opportunities

Current Structure

Currently the City of Boston manages two distinct budget processes, one for capital and one for operating funds. Annual operating expenses and traditional general fund expenses are included in the operating budget. The capital budget includes long term projects that are eligible for debt financing as defined by the relevant municipal finance laws and accounting practices. Equipment purchases are financed by both leases and capital funds, with the former budgeted in the operating budget.

The capital budget cycle begins in the fall with submission of project requests by city departments, they are reviewed and costed out, and a budget submitted to the Mayor in December. The plan is completed and printed in January. In February; the capital budget and the necessary appropriations, are submitted to the City Council. It is prepared by the Division of Capital Planning, a division of the Public Facilities Department (PFD). The Director of PFD reports directly to the Mayor. Additionally, Capital Planning has ongoing responsibility for tracking budgets and project schedules. The division also tracks loan order authorizations and expenditures necessary for bond financing.

The operating budget cycle begins in December with the distribution of preliminary department budget targets and the detailed analysis of funding and staffing need by each city department. Departmental budget requests are submitted to the Office of Budget and Program Evaluation (OBPE) in late January. After a period of review and negotiation the operating budget is presented to the City Council in April for a vote. The operating budget is managed by the OBPE. The Director of OBPE reports to the Director of Administrative Services, who reports to the Mayor.

The financial intersection of the two budgets is the annual debt service requirement. As part of its preparation for the capital budget the Office of Capital Planning/PFD assesses the financial assumptions of the capital plan for the next five years and prepares a preliminary funding level. The amount available for debt service has been coordinated between the two offices at the staff level.

The interaction between the two offices is minimal and informal. Budget staff from the two offices do not have a formal process for review or comment on spending priorities for departments or capital projects. The capital request process includes an operating impact form for the departments to fill out as part of their submission. These forms are reviewed by both staff, but the focus has been on informing OBPE of the schedule for a project rather than involving them in the decision.

Opportunities

The two budget process perform well but coordination between them is weak. Informally, they have adequately informed each other of the direct impact or their decision-making processes, such as debt service levels or new facilities. They have been less successful in communicating indirect impacts, like changes in department spending on maintenance, or at prospectively planning and coordinating spending priorities. A variety of opportunities exist.

The reorganization of operating and capital functions into an integrated financial section with a Chief Financial Officer (CFO) would do a lot to improve coordination. A CFO with responsibility for both budgets would minimally insure coordination of priorities and information. There is a need for coordination between PFD's Construction and Repair Division but there is not a strong functional reason for the capital budget office to be part of the same department. Locating the capital budget office within PFD has limited the office's ability to take the lead on citywide capital issues. This could be corrected by placing the office in the financial sub-cabinet where there would be parallel relationships to the City's construction divisions in the Parks and Recreation Department, the Public Works Department, the EDIC, the BRA, and the PFD.

It would also be possible to improve the coordination by redefining the capital and operating budget cycles to include joint review. The operating budget schedule is coordinated with the City's annual goal setting process, providing a consistent and integrated policy direction for funding decisions. One option would be to realign the capital process to take better advantage of this goal setting process.

A total reorganization and integration of the two budget offices is another option. The staff in both offices perform contract review functions that are duplicated in Auditing. An alternative structure would consolidate the policy and planning functions of the two offices with an "all funds" approach to resource decisions and relocate the audit functions to Auditing.

Reorganization should also address the need for increased coordination between the City's use of its own capital and CDBG funds. In addition to strengthening the connection between operating budget goals and capital projects, more direct connections should be made between CDBG projects and capital projects and operating spending priorities.

TAB 4

Office of External Funds
Current Status and Opportunities

Current Structure

The process for obtaining grants consists of several informal systems between both Intergovernmental Affairs and Auditing and department staff. Grant funds and CDBG money are managed directly by various departments and there is not necessarily a correlation between need, defined through the budget process by the budget department, and external funding. There is also a sense that departments compete for funds duplicating efforts and wasting City resources. Access to external funding is driven by the staffing capabilities of individual departments rather than program need. In fiscal year 1993 the City collected $102,917,682 in external funds, excluding the School Department and the Department of Health and Hospitals. (currently, the School Department funds an office of external funds with some of the 7.6% overhead it collects on its external funding (in fiscal year 1993 the School Department collected $71,637,130).

Opportunities

An Office of External Funds office could focus on maximizing the City's external funding. Additionally, it could consolidate the external financial resources of the City providing better managerial coordination, consistent resource allocation decisions for all city funds, and improved reporting and accounting of funds. The office could provide technical support in grants writing to line departments, while working closely with budget and auditing on the allocating of funds and their reporting, and the office of intergovernmental affairs on identifying funding opportunities.

A new office could be funded with overhead money and possibly a reallocation of existing staff from Intergovernmental, Auditing, and OBPE .

The School Department and the Department of Health and Hospitals, through the Trustees of Health and Hospitals, both have extensive, coordinated grant development organizations. Both departments should be surveyed for useful models, but should not be part of an initial consolidation effort.

A thorough review of CDBG funding should be undertaken to determine if there is a duplication of effort that could be eliminated through better integration with the Office of External Funds.

TAB 5

City Bond Counsel Selection Process
Current Structure and Opportunities

Current Structure

Bond Counsel is retained by the Collector-Treasurers Office with some informal participation from the City's Corporation Counsel. The contract has been of one year duration expiring on November 1. Since 1984, Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, has been the City's Bond Counsel, working on legislative and financial issues as well as development projects and financing. Often the verbal agreements on contract matters are ratified after the fact. For specific public offerings, two percent of the cost of issuance is budgeted for legal and underwriting fees.

There does not appear to be any level of dissatisfaction with the work that Mintz Levin is performing. However, there are some procedures that could be improved which would enable the City to maximize the value of the dollars spent on bond services. Since the contract is not viewed as a complete and encompassing contract there is potential for conflicts of interest and lost benefits.

Opportunities

The City could benefit from a more focused access point and general oversight from its departments to its Bond Counsel. This would enable the City to negotiate for more services through a "quantity discounts" for the volume of billings it generates.

There is potential to benefit from the resources that a large full service firm can provide. For example, training courses and access to a legal library are special services that large users typically can command from a law firm.

A Request for Qualifications of the City's Bond Counsel should be undertaken. The purpose would be to evaluate whether the City is receiving the maximum amount of benefit from its existing Counsel and if not, which firm could provide these services.

TAB 6

Workers' Compensation
Current Structure and Opportunities

Current Structure

The current system is complex managed by multiple city departments and under the jurisdiction of state and city rules and regulations. It is also a major City expenditure costing the city $35.8m in FY93. The largest dollar component of the system, $17.5m in FY93, is managed by the Retirement board. They are responsible for civilian and uniformed employees who are permanently disabled. In Fy93 there were 2178 employees.

The workers' compensation system consists of payroll and medical payments to employees injured with either a work related or non work related injury. The administrative functions involved are claims processing, case management, case review, medical bill management, medical bill utilization review, and audit.

A key issue is the separate and distinct benefit systems for uniformed employees, fire and police. By statute, police and fire benefits include full pay(other City employees receive only two/third pay)up to $515/week and compensation for an unlimited amount of time. OBPE estimates that this differential costs the City in excess of $2m annually.

The Police and Fire Departments manage their own programs and the cost of the program is a departmental budget expense appropriated annually. The combined cost of individual and Medicare pavements was $7.4m in FY93. The Retirement Board estimates that $300,000 to $500,000 could be saved if they implement a risk management review of retired fire fighters and police officers.

Opportunities

Any plans to "out source" some of this work would need to address the decentralization of functions and responsibilities that is currently in place. Various levels of centralization are possible and could be addressed from the minimum of a shared, jointly administered data base to a centralized management that could use private vendors to provide all or part of its functions. The last option could require statutory changes since much of the management and benefits structure is legislated.

To: A&F Transition Committee
From: Neil Gordon
Date: December 15, 1993
Re: Financing and Administering Employee Injury Systems

The purpose of this memo is to review the current systems under which the City manages injuries to employees. This review suggests the possibility to re-structure the financing and administration of this system to improve oversight and hopefully reduce costs.

Background

The costs incurred for employees injured-on-the-job are substantial. In FY93, these costs totaled over $35.8 million, representing over 300,000 days lost due to injury annually. The City is completely self-administered and self-funded.

Injured-on-the-job cases are supervised by three state agencies and managed by five City departments -- Workers' Compensation, Retirement Board, Police, Fire, and to a lesser extent, Law. These cases fall into four distinct systems: Workers' Compensation; Police disability; Fire disability; and Retirement disability (for employees permanently disabled). Each system is governed by different rules and regulations, making systematic and efficient management of these cases difficult.

FY93 Injured-on-the Job Costs
Payroll and Medical Costs by System

Workers' Comp	Retirement Disabilities	Police Injured-On	Fire Injured-On
$10.8 million	$17.5 million	$4.3 million	$3.1 million

The critical distinction is between the Workers' Compensation system and the Injuries on Duty system which covers uniformed personnel. Police and fire fighters injured while on duty are covered by MGL Chapter 41, section 111F (attached), not the Workers' Comp law that applies to all other city employees. This law differs from workers' comp (WC) in two key areas:

- Provides for full pay, tax free, compared to Workers' Comp, which is 2/3 pay, tax free, up to $515 per week.
- Provides compensation for an unlimited time, compared to WC which sets limits, albeit long ones.

Based solely on the full versus 2/3 pay difference, the Injury on Duty law costs the City in excess of $2M per year.

The Retirement Disability system is managed as part of the retirement system and covers those employees considered to be permanently disabled. Within this system, there are both "civilian" and uniformed employees. Some of those in the system are "pre-retirement" age and some have passed the age of retirement. On an annual cost basis, this is the largest system for managing payments to employees who have been injured. This includes 1,952 employees who received an "accidental disability" retirement due to an injury on the job, and 226 employees on an "ordinary disability" retirement due to a non-work-related injury or illness.

Employees on accidental disability retirement receive 72% of their last salary tax-free until death, and no longer pay a retirement contribution in their pre-retirement age years. They are allowed to earn outside income while disabled which, when combined with their retirement benefit, may not exceed what their original job would have paid that year, plus $5,000.

Employees on ordinary disability retirement receive only their regular pension, but receive it earlier than they otherwise would have. The additional cost to the City is the cost of pension payments made to the employee prior to his/her maximum retirement age.

Components of the Costs

The costs for injured employees fall into two broad categories: payments to individuals and payments for medical costs. Within the payments to individuals category, the following table illustrates the various costs and where those funds come from:

Payments	Managed By:	Source of Funds	Notes
Temporary Workers Comp	Workers' Comp and Departments	Departmental Budgets	
Permanent Workers' Comp	Workers' Comp	Workers' Comp Fund	
Police Injured on	Police Dept.	Police Budget	
Fire Injured On	Fire Dept.	Fire Budget	
Permanent Disability	Retirement Board	Retirement system	
Settlements	Workers' Comp	Workers' Comp Fund	Settlements end the City's liability for a case.

Medical costs have many aspects as well and are illustrated by the following table:

Medical Payments	Managed By:	Source of Funds	Notes
Temporary Workers Comp	Workers' Comp and Outside Contractors	Departmental Budgets	Up to $2000 per medical bill. Over $2000 charged to Workers' Comp Fund. Note this is not $2000 per employee.
Permanent Workers' Comp	Workers' Comp	Workers' Comp Fund	
Police Injured on	Police Dept. and Outside Contractors	Police Budget	
Fire Injured On	Fire Dept. and Outside Contractors	Fire Budget	
Permanent Disability	Retirement Board	Retirement system	
Retired Police and Fire	Retirement Board and Indemnification Board	Execution of Courts Acct.	

Management Systems

What these tables illustrate is that many departments are involved in managing these costs, and that in some cases they are managing costs which do not directly affect their own budgets. While we have not thoroughly documented the various systems in each department, they range from fairly passive management with paper record-keeping, to the beginnings of automated case management with more aggressive intervention. While several years ago, the Workers' Comp Service was reviewed by Lynch-Ryan, to the best of our knowledge, none of these systems has ever had an independent audit.

For example, the Workers' Comp Service has in the past year begun the use of an automated case management system. Despite this automation, the department has had a growing backlog of medical bills for the past several years. As a result:

1.) Unpaid bills prevent the City from negotiating lower rates with vendors and contributes to overall image of the City as a " delinquent bill payer".
2.) The backlog causes inefficient use of entire department staff and resources. Case managers spend time researching bills when they should be managing roughly $1.5 million in medical bills while lawyers are spending 10-15% of their time on matters relating to late bill payments.
3.) The growing backlog is contributing to itself; as the department spends time researching old bills, more and more pile up. An outside vendor (nurse) is paid $50 an hour and spends at least two days a week resolving this backlog.

In the case of the retirement disabilities, the Retirement Board's current system for managing *all* cases suggests that there may be room for improvement. Mass General Law 32 makes the return of a disabled retiree to work a difficult task.

On the other hand, Mass General Law Ch. 32 *requires* the City to do a desk review of every disability case annually for the first 5 years and once every three years thereafter until the retiree is 60 years old. If this review indicates further information is warranted, PERA (the state oversight body) will be petitioned to appoint a physician or panel to do a medical exam. Exams will not be required of a retiree more than once a year, and if the exam is refused, benefits may be terminated.

In practice, the Retirement Board generally assumes that a disabled employee is *permanently* disabled unless someone notifies them otherwise. In the last three years, only 2 individuals on retirement disability of 2,000 have been returned to work. It manages all retirement disability cases, with the following procedure for reviews:

1. Disability retirees must annually file a statement of earnings, and sign a Request for Copy of Tax Form.

2. A case review of a retiree, potentially followed by a medical exam, is triggered (not automatic) if there is reason to think a retiree may be able to return to work, e.g.:
    - reported earnings exceed the $5,000 limit;
    - the Retirement Board flags a case, when initially approved, as having potential for recovery;
    - outside leads are received indicating the person could return to work.

An estimated $1.6 million per year could potentially be saved in retirement disability payments by returning recovered retirees back to work, making settlements, or terminating benefits for those who have defrauded the system. Putting people back to work would admittedly, not be simple; many of these people have not worked for the City in 10 years. Line departments, particularly Police and Fire, would need to be very involved and cooperative.

OBPE has not yet done a thorough analysis of the Police and Fire injury management process. Any re-structuring of the employee injury system must, however, involve these departments.

Funding and Administration Options

The range of options for administering and funding these systems is complex. The following table displays in matrix form some options for system administration. The key questions posed are:

- To what extent should current functions be consolidated?
- To what extent should current functions be done by the City versus contracted out?

	Self-Administer /Decentralized	Self-Administer /Consolidated	Privately Administer /Decentralized	Privately Administer /Consolidated
Claims processing				
Case Management				
Case Review				
Medical Bill Mngt.				
Mediical Bill UR				
Audit				

The funding questions and options are at least as complex. Some key questions are:

- How can the financing structure best be established to maximize incentives to control costs?
- Should the City remain fully self-insured, consider some stop-loss arrangements, or move to a fully insured system?
- If the City maintains some level of self-insurance, should it continue to be fully pay-as-you-go, or should special reserve accounts be created?

City of Boston
Workers' Compensation Service
Room 817, Boston City Hall
Boston, Massachusetts 02201
[illegible]

[illegible]son R. Haley
Workers' Compensation Agent

DEPARTMENTAL QUESTIONAIRE

1. There are no major issues of an emergency nature which require the immediate attention of the new administration.

A. Work in progress that the new administration will have to continue:

* The Workers' Compensation Services is in the middle of a three year contract for a comprehensive computerized Risk Management package accessed on time-shared basis with Corporate Systems of Amarillo, Texas. Major work in progress has been the medical management component of the system, which reduces billings to appropriate "Industrial" rates and generates checks with explanations of reimbursement. Reconciliation of The Workers' Compensation vendor file with the City of Boston's main accounting system is currently the focus of much effort on the part of the City Auditor and this office. Implementing this Risk Management system has been a major undertaking, but will allow us to forecast expenditures, set reserves, identify safety and other issues leading to prevention and better management of injuries, and other benefits of data retrieval.

B. Non-routine matters requiring an early decision:

* Significantly backlogged Medical bills from previous fiscal years are being charged against departmental budgets in this fiscal year, leaving many budgets underfunded for these costs. The practice of charging back workers' compensation medical costs to departments should be reconsidered to ensure the privacy of individuals receiving treatment and for consistency with the current practice of not charging back group insurance costs to departments.

TO: Mayor's Transition Committee

FROM: James F. O'Donnell, Executive Officer

Re: Departmental Questionnaire

Following is my response to the questions set forth in the memorandum of November 22, 1993

1. The major issues that require immediate attention:

Work in progress:

- Revision of pension appropriation for current fiscal year based on new acturarial calculation of funding requirements. This requires the approval of a state oversight agency (PERA). Substantial current savings will result if the new figures are approved.

- Following up on the risk management concept by implementing use of workers' comp rates in processing medical claims of retired police officers and fire fighters. Estimated savings in the $300,000 to $500,000 range in 1993-94.

- Process reimbursement of cost of living costs from Commonwealth in last quarter of 1993 and first quarter of 1994. Recovery is expected to be a total of $9 million.

Non-routine matters

- Selection of vendor from RFP submitted for automation of the entire State Boston Retirement System data base system February 22, 1993.

- Suggested legislative changes to Chapter 32 of Mass General Laws regarding disability as discussed by Risk Management Council to make disability retirement less attractive, such as, partial disability and mandatory rehabilitation.

Administrative or program changes

- The office will need to be reorganized to accomplish the implementation of the automation program.

2. Significant unsolved problems or opportunities that this department will face during the next four years:

- In order to plan for the future, it is often necessary to look back and see where we have been and what has happened. Attached is a chart that compares the status of the Retirement Board in October, 1984 when I assumed this position, its status today and a projection to October of 1997.

  The three critical major goals of the next four years are:

A. Implementation of automation program over a three-year period and recovery of its cost through savings. This Board is very efficient despite heavy reliance on manual functions. This is illustrated by the attached chart which gives the ratio of members served compared to the number of staff members of Boston and several other large boards. However, we do not enjoy the economies of scale available to an entity with our membership size because we lack an integrated automated system. That will occur when this program is implemented: it will pay for itself in approximately three to five years.

B. Continue diversification of investments and high performance of pension fund of $1.4 billion with a goal of eliminating the unfunded liability. Please note the attached graph that shows the growth of assets over the last eight years.

C. Total customer service package: I can forsee the day when the Retirement Board is administering the deferred compensation plan for employees and the group insurance for retirees in order to consolidate service and coordinate employee benefits in one place. Future counseling with clients would offer financial planning and volunteer opportunities for retirees. The attached is a view of what a client would encounter at the Retirement Board four years from now.

3. Other organizational arrangements

A. The Retirement Board administers one type of employee benefits-retirement. By law, employee benefit administration is scattered to discrete entities or divisions of the City. My experience in private industry was that employee benefits is handled out of one office that covers personnel record keeping, training and related Human Resource benefits. Having benefits separately administered adds costs in terms of staff efficiency, duplicative record keeping and lack of service to employees.

Consolidating these functions would save money, reduce errors, and provide better service to the employees who are the City's most valuable resource. Negative reactions are likely from entities that want to remain intact and unions that may object to a perceived loss of autonomy.

B. Worker's comp claims, active police and fire on-duty medical claims, disability claims and indemnification claims for disabled police and fire personnel should be tracked on a centralized computer system with shared administration. This consolidation of a major risk management cost would enable the city to prevent and reduce medical costs related to employment that is very expensive. The present system is uncoordinated and result in unnecessary costs. This system should be tied into a careful screening process on new hires which is consistent with the Americans with Disabilities Act yet prevents taking on unwanted risks.

These are some of my thoughts which I would be glad to discuss further with you or members of the committee upon request. Thank you for this opportunity to express some of my ideas.

Sincerely,

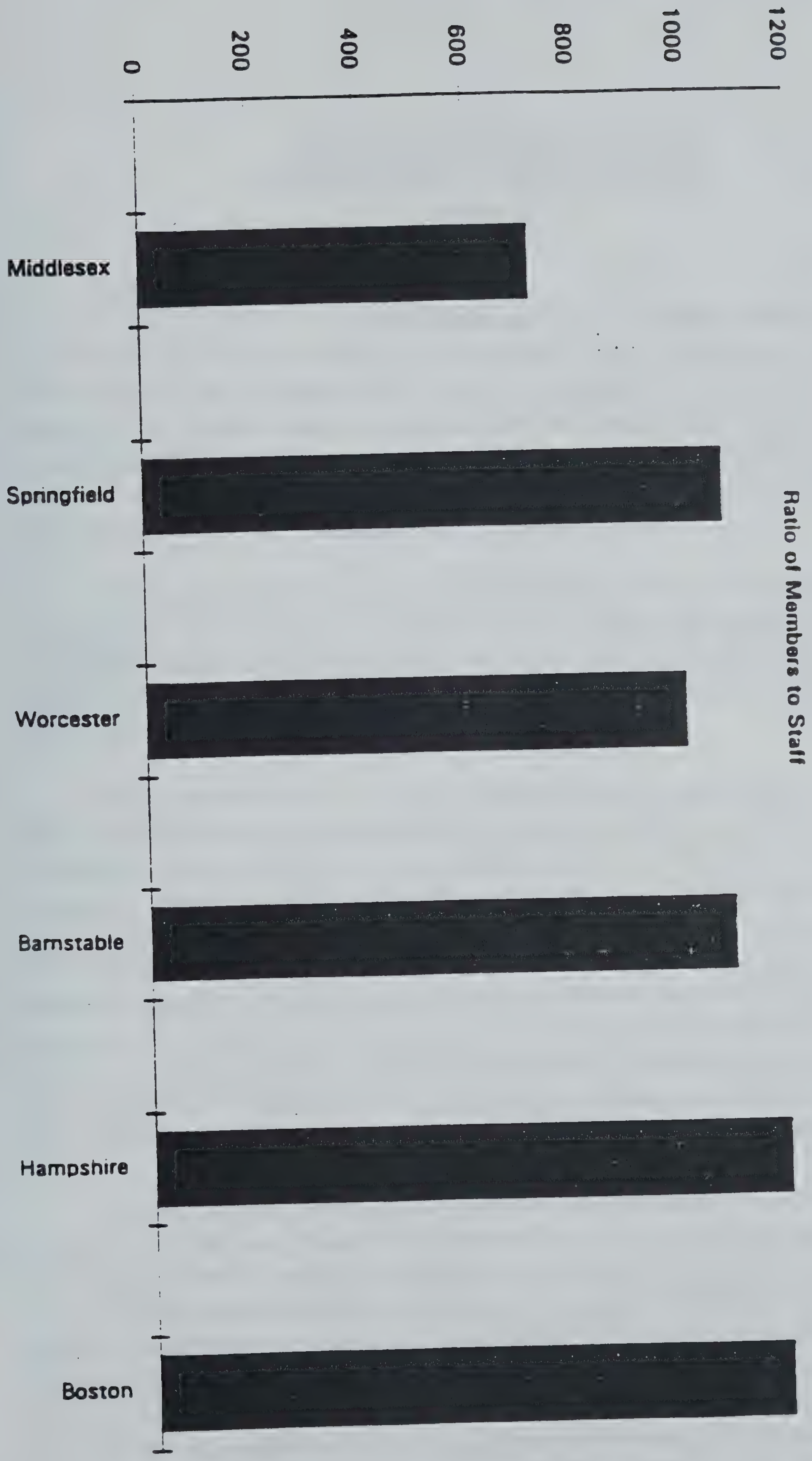
James T. O'Donnell

STATE-BOSTON RETIREMENT SYSTEM
STATUS CHART

	OCTOBER 1, 1984	OCTOBER 1, 1993	OCTOBER 1, 1997
Customer Service:(Annual)			
Employee Seminars	0	18/year	30/year
Individual Counseling	0	2000/year	3000/year
Employee Booklet	1	3rd addition	new addition with disc & video
Communications to members	None	average 4 per year	average 6 per year(newsletter)
Response to inquiries	4-8 weeks	10 day turnaround	72 hours
Administration:			
Staff size	44	31	20
Budget $	$1,285,917	$1,081,200	$800,000
Office space	5800 sq. ft.	4400 sq. ft.	2500 sq. ft.
File space	1,256 linear ft.	971 linear ft.	300 linear ft.
Organization	two units	5 programs	3 divisions Customer Service Financial Computer Operations

STATE-BOSTON RETIREMENT SYSTEM
STATUS CHART

	OCTOBER 1, 1984	OCTOBER 1, 1993	OCTOBER 1, 1997
rocessing:			
irst Retirement check	90-120 days	average 45 days	14 days
efund Check	120-180 days	average 30 days	5
isability case backlog	223	0	0
Refund requests backlog	320	0	0
Buyback of time cases	1,400/yr processing 6 months turnaround	average 1,400 per year (75 days processing time)	1,400/yr processing 5 day turnaround
Unenrolled Membership Accounts	4,000	600	0
Timely Comprehensive Annual Annuity Statements	0	20,000(active only)	Total Membership Active & Retired


Ratio of Members to Staff
0
200
400
600
800
1000
1200
Middlesex
Springfield
Worcester
Barnstable
Hampshire
Boston

BOSTON RETIREMENT BOARD
DEPARTMENTAL QUESTIONAIRE
ITEM 2-C

Four years from now...

a client walks into the Retirement Board in Room 816 at City Hall. It's been five years since the client was last there and she needs to get her money out. As she reaches the counter, a woman welcomes her and asks if she can help. The client formerly worked for the old Boston City Hospital now known as the Boston Triage and Trauma Center. She never took her money out and needs cash to live on while training for a new job. She pulls out a statement that she received from the Board giving her the year-end balance.

The woman from Member Services introduces herself as Susan and turns to the computer on the counter to check the record. While waiting, the client looks around the office and notices that there is an open view throughout the office. In fact, the rows of files that use to punctuate the office were gone. It was a smaller office, too, with fewer people.

Susan returns to the client and escorts her into a counseling office-one of three set aside for private discussions with clients used by the trained and certified counselors. In another room, a client is using a touch screen computer to figure his retirement allowance under several different scenarios. Counseling now covers group insurance and the deferred income accounts which have been turned over to the Board for administration. Susan explains that the client's account is incomplete because a transfer of her old account from the State Retirement System never occurred. Susan turns the terminal toward the client and punches up her account. Gloria, the client, reads the screen and sees all the personal data listed and a blinking red dot: "What's that?" Susan brings the cursor onto the dot and touches the keyboard and a message comes up with the full story of the missing transfer.

Susan takes the screen and logs onto the communication network and connects with the state. Meanwhile, the staff is busy at work stations entering data, processing requests, tracking investments and transferring files onto microfiche. Two staff members are talking with clients in Spanish and Chinese. Current projects going on now include retirement planning for active members, a volunteer network of retirees helping on City issues and advocacy for retirees seeking city services. All hard copy files are now kept off site and all records, including payrolls, are accessible by fiche or replicated in the computerized account. The new computer system has already paid for itself in lower payroll costs and reduced actuarial liability due to the precise records. The savings allowed the Board to buy the fiche and eliminate reliance on paper files.

The managers are examining reports off the computer system to identify special groups with issues and answer requests to the Board for demographic information. The financial statements for the month-ended last week show that the unfunded liability is now less than 20% and within striking range of elimination due to the outstanding investment performance in 1996 and 97 when the economic recovery reached its stride.

Susan leaves the client with some brochures on tax withholding and services the City can offer in job placement. She goes to the fax machine to pick up a transmittal from the state. Susan returns to Gloria and tells her that the account is now complete and if she decides she wants the entire amount. we will process it with the withholding. Gloria checks off the form and signs it. "When will I get it?" " The check will be mailed from here tomorrow." Gloria thanks Susan and leaves with a big smile. Total elapsed time for the client is 32 minutes.

Arthur D Little

Progress Update: City of Boston Procurement Project

Discussion Document

February 17, 1994

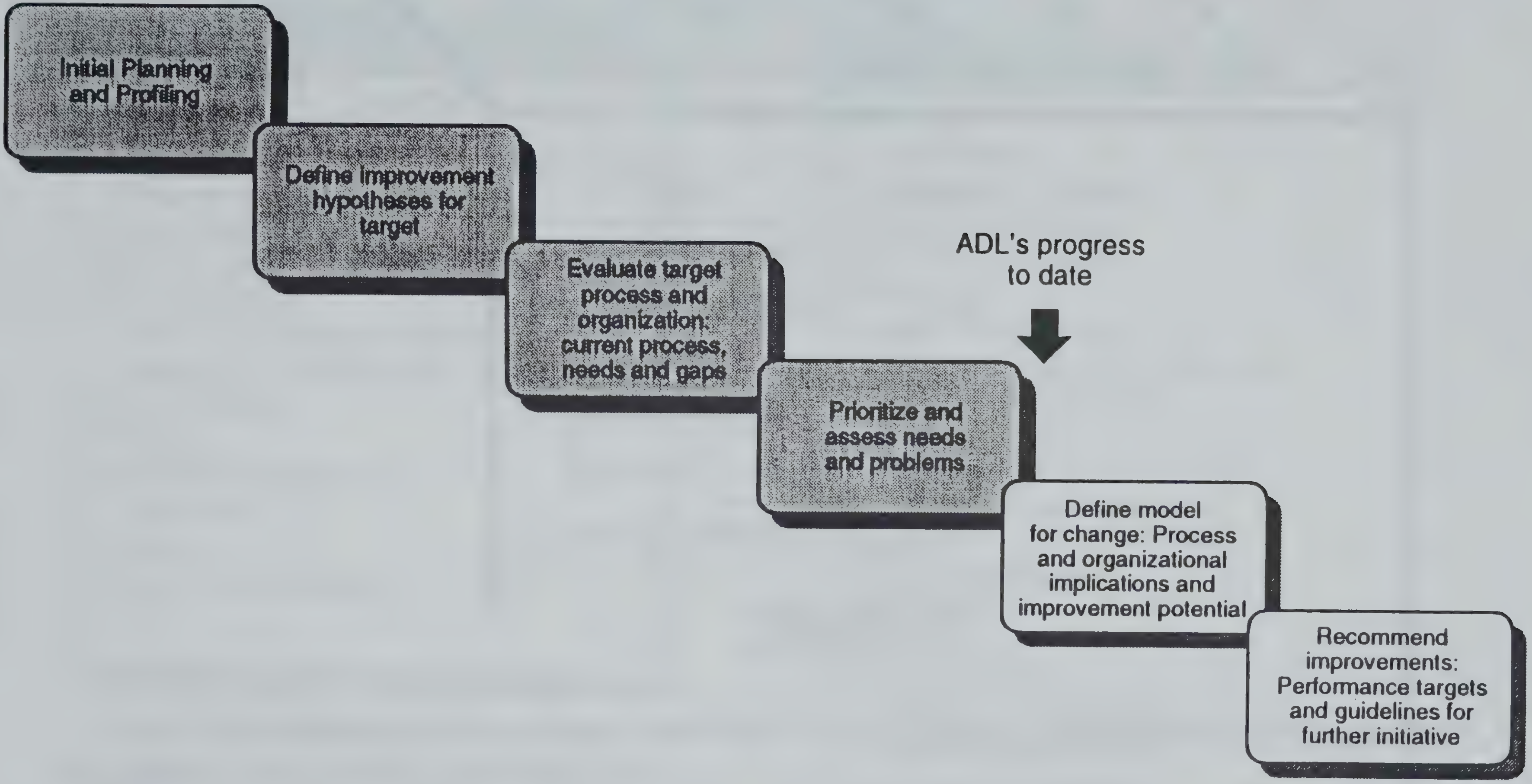
Arthur D. Little, Inc.

Reference 44911-04

Arthur D. Little, Inc., is assisting the Mayor's Transition Team in examining the City's procurement activities to achieve four objectives.

- Identify priority targets for improvement, with a focus on near-term results to build momentum for longer term change
- Identify improvement potentials for selected targets in terms of:
  - Cost reduction
  - Performance improvement
  - Effectiveness and efficiency improvement
- Define implementation requirements to achieve improvements in selected targets
- Define guidelines for achieving broader improvements in City operations and services

The project plan that we are following encompasses six key steps.



Initial Planning and Profiling

Define improvement hypotheses for target

Evaluate target process and organization: current process, needs and gaps

Prioritize and assess needs and problems

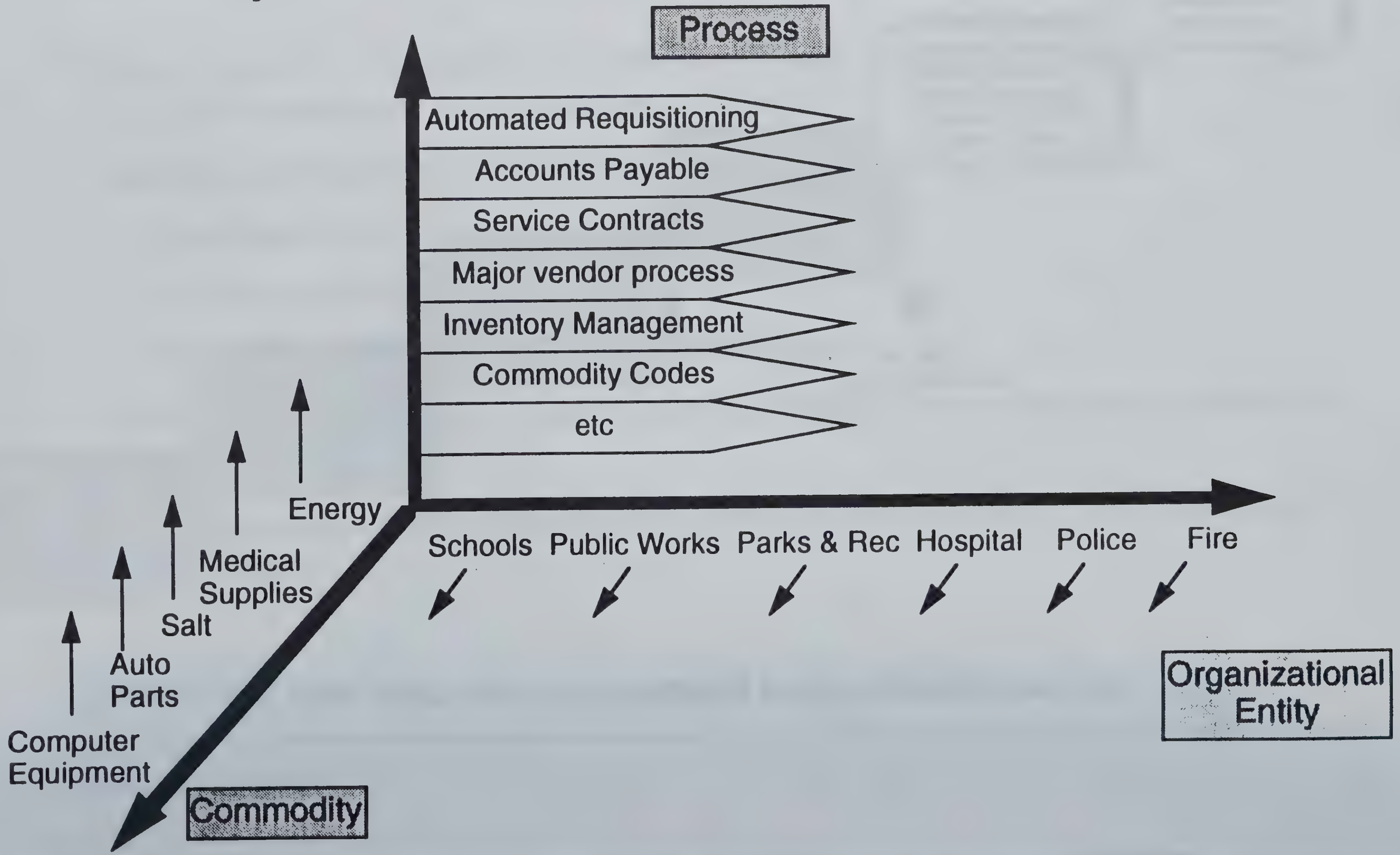
Define model for change: Process and organizational implications and improvement potential

Recommend improvements: Performance targets and guidelines for further initiative

ADL's progress to date

These steps are being carried out over a six to eight week work schedule.

We are looked at potential targets along three dimensions: process, commodity and organization.



Process

- Automated Requisitioning
- Accounts Payable
- Service Contracts
- Major vendor process
- Inventory Management
- Commodity Codes
- etc

Schools Public Works Parks & Rec Hospital Police Fire

Organizational Entity

Energy
Medical Supplies
Salt
Auto Parts
Computer Equipment

Commodity

We defined three sets of criteria to sort the various process and organization and commodity target options.

Process Criteria

Doability
- Complexity
- Processes in place
- Legal implications

Improvement potential
- Cost savings
- Performance improvement
- Efficiency improvement

Area of "Pain"

Timing

Strategic Importance
- External
- Internal

Progressive practice

Commodity Criteria

Significant amount of budget expenditures

Organization Criteria

Doability
- Complexity
- Processes in place
- Legal implications

Size
- Budgets
- Value of purchases
- Staff involved with purchasing

Improvement potential
- Cost savings
- Performance improvement
- Efficiency improvement

Timing

Strategic Importance
- External
- Internal

Transferability
- Common procedures
- Types of purchases

Progressive practices

Experience with new policies - 30B

Experience - Automated system

City of Boston Procurement Project Procurement Project Targets

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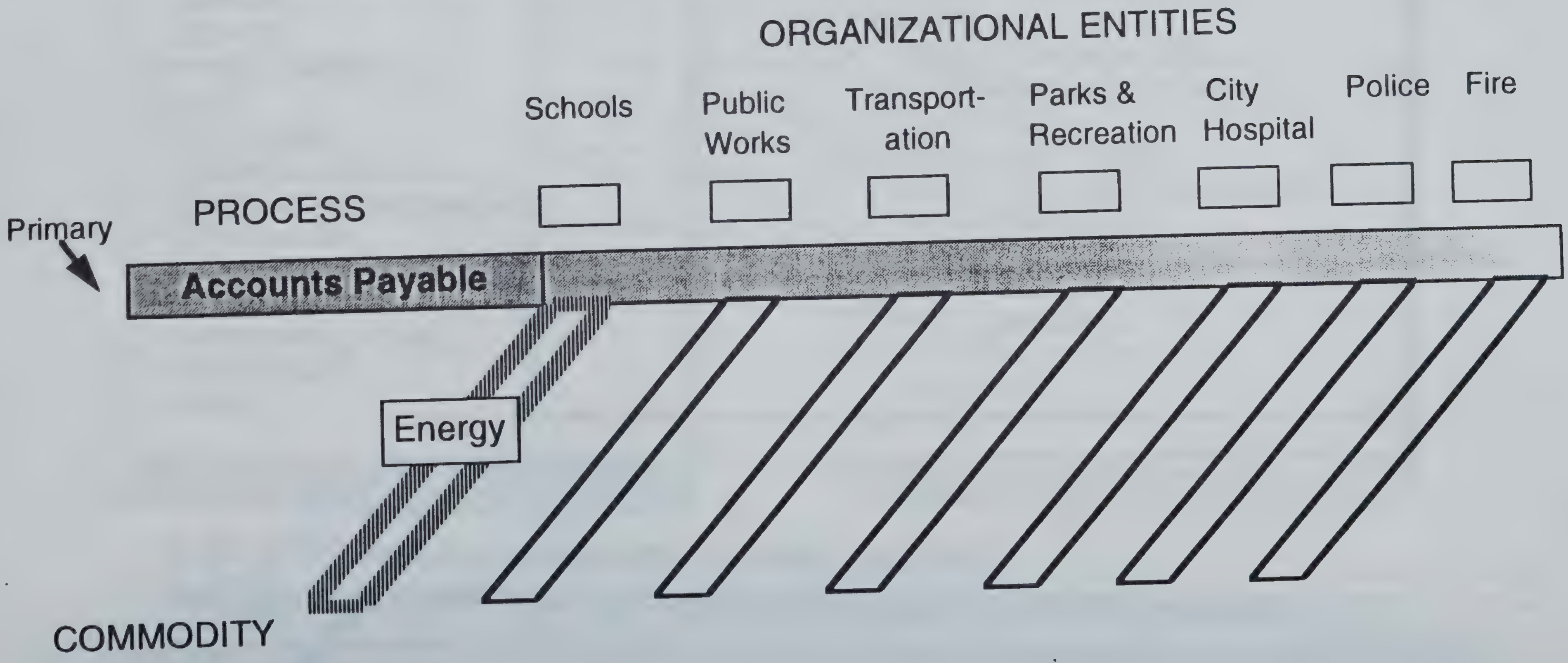
Along with representatives of the transition team we agreed that the focus would be on the accounts payable process and on the energy commodity which impacts many departments...



ORGANIZATIONAL ENTITIES

Schools
Public Works
Transport-ation
Parks & Recreation
City Hospital
Police
Fire

PROCESS

Primary

Accounts Payable

Energy

COMMODITY

We have interviewed the following people who have a stake in the outcome of this effort...

Interviewee	Department
Barbara Gottschalk	Office of Budget and Program Evaluation
Frank Chin	Purchasing
Sally Glora	Auditing
Joseph Casazza	Public Works
John Shea	Purchasing (Energy)
Fred Russo	Auditing
Brian Chambers	Boston Public Schools
Tom Lyons	Health and Hospitals

From the problem areas the ADL team has developed a list of opportunities for better *procurement* of energy...

Opportunities	ADL's Initial Assessment		
	Term	Impact	Priority
Third party utility bill auditing service	**Short**	**High**	**High**
Streamline the Major Vendor Payment Process	**Short**	**High**	**High**
Credit card payment system for gasoline	**Short**	**High**	**High**
Put other vendors on a streamlined payment process	Short	Medium	Medium
Take advantage of volume buying by getting a better than the spot price for fuels	Short	Medium	Medium
Purchase natural gas in the open market	Medium	Low	Low
Use "installation of new system" as a negotiating tool with Boston Thermal	Short	Low	Low
Manage light usage and maintenance	Medium	Medium	Low
City purchase of street lights from Boston Edison	Long	Medium	Low
Standardize maintenance services for lights between the City and Edison	Medium	Low	Low

Utilize a third party utility bill auditing service

Financial Scope	Magnitude of Potential Savings Opportunity @ 5%
Electric - $23,000,000 Gas - $3,400,000 Steam - $1,500,000 Phone - $5,900,000 Total - $33,800,000	High
Potential Action	**Processes**
Research third party bill auditing market, develop a list of firms to approach, contract with a third party auditor	Auditing Major Vendor Payment Process Distribution of Monthly Utility Reports
	Departments
	All

Credit card payment system for gasoline

Financial Scope	Magnitude of Potential Savings Opportunity @ 5%
Diesel - $789,000 89 Octane - $317,000 92 Octane - $1,302,000 Total - $2,408,000 Number of Tanks ≈ 50-75	Medium to High
Potential Action	**Processes**
Determine supply market (credit cards and petroleum companies), develop a negotiating strategy	Purchasing Contracting Fueling City vehicles
	Departments
	Fire, Parks, Police, Schools Hospitals, Public Works Purchasing, Accounts Payable

The Major Vendor Payment Process

Financial Scope

Boston Edison	$23,000,000
Boston Gas	$3,300,000
Total	$26,300,000

Magnitude of Potential Savings Opportunity @ 5%

High

Potential Action

Redesign the process and roles and responsibilities
Eliminate duplication of effort and non-value added activities

Processes

Auditing
Major Vendor Payment Process
Distribution of Major Vendor reports

Departments

All, but especially Accounts Payable & Auditing

Put other vendors on a streamlined payment process

Financial Scope

No. 2 Fuel Oil	- $2,482,000
No. 4 Fuel Oil	- $1,095,000
No. 6 Fuel Oil	- $336,000
Diesel	- $789,000
89 Octane	- $317,000
92 Octane	- $1,302,000
Phone	- $5,900,000
Total	- $12,221,000

Magnitude of Potential Savings Opportunity @ 5%

Medium

Potential Action

Streamline the payment process by eliminating non-value added activities

Processes

Auditing
Major Vendor Payment Process

Departments

Purchasing
Accounts Payable

Take advantage of volume by getting a better than spot price for fuels

Financial Scope

No. 2 Fuel Oil	-	$2,482,000
No. 4 Fuel Oil	-	$1,095,000
No. 6 Fuel Oil	-	$336,000
Diesel	-	$789,000
89 Octane	-	$317,000
92 Octane	-	$1,302,000
Total	-	$6,321,000

Magnitude of Potential Savings Opportunity @ 5%

Medium

Potential Action

Prepare a negotiating strategy

Processes

Purchasing
Contracting
Distribution

Departments

Fire,Police, Schools, Hospitals
Public Works, Other Users
Purchasing, Accounts Payable

Purchase natural gas in the open market

Financial Scope

Schools - $2,000,000
Other - $1,400,000

Total City - $3,400,000

Magnitude of Potential Savings Opportunity @ 5%

Low

Potential Action

Research supply market, develop a list of potential suppliers, prepare a negotiating strategy

Processes

Purchasing
Contracting
Distribution

Departments

Schools
Purchasing
Accounts Payable

Use "installation of new system" as negotiating tool with Boston Thermal

Financial Scope	Magnitude of Potential Savings Opportunity @ 5%
Boston Thermal Expenditures - $1,500,000	Low

Potential Action	Processes
Develop alternatives and associated costs/benefits, prepare a negotiating strategy	Purchasing Contracting
	Departments
	Purchasing Accounts Payable

Manage light usage and maintenance

Financial Scope

FY94 Budget	$10,400,000
Maintenance Services	$150,000
Total	$10,550,000

Magnitude of Potential Savings Opportunity @ 5%

Medium

Potential Action

Solicit audit firm's advice;
Benchmark practices of other cities, large businesses, universities, etc.

Processes

Purchasing
Contracting
Maintenance

Departments

Public Works

Together with the transition team, we decided to focus on two of the opportunities that we feel will have the most impact for savings in the short term...

- Utilize a third party utility bill auditing firm
- Establish a credit card payment system and a network of gas stations for fueling of city vehicles

We have been following this action plan to determine the magnitude and feasibility of pursuing the utility bill auditing process.

Third Party Bill Auditing

Data Required	Action Plan
Number of bills, by utility source, by department (One month sample)	Develop a matrix, enlist Enrique to help capture the data
What are the questions asked internally when bills are being audited?	Develop a set of questions to ask the responsible person in each department
Number of Discrepancies (Parks & Rec)	"
Why aren't more bills being checked?	"
What kind of effort (FTEs) is involved?	"
Who are the third party firms who can perform this kind of service?	Literature search
How do they charge?	Develop questionnaire to ask potential firms
What form does the data need to be in?	"
What is their estimate of savings? Do they have any references?	"

The following chart outlines the current utility picture throughout the City...

Utility	Number of Billing Entities	Number of Billing Cycles per Year
Electric	Approximately 1,100 Accounts	Each of 17 departments gets billed 8 times a year
Gas	Approximately 290 Accounts	Each of 18 departments gets billed 8 times a year
Steam	City Hall Faneuil Hall Copley High 400 Frontage Rd City Hospital	Each building is billed monthly
Phone	6 Billing Telephone Numbers -Schools -Fire -Police -City Hospital -City Hall -Other/PFD	Each BTN is billed monthly

We have developed a list of questions to ask the people who are currently auditing utility bills...

- What is the process you follow to audit the bills?
- What are the questions that you ask Auditing, the Utilities, State Street Bank?
- How many discrepancies do you find?
- What kind of effort is involved (hours, full time equivalents (FTEs))?

From our research into these firms, we have an understanding of the process they use to recover overcharges...

- Their hypothesis is that it is difficult for the customer to determine if an error in billing has been made because of the complexity of the utility rate structures
- The auditing firms will ask for up to five years worth of bills to audit, and usually will focus on accounts of $500 or more (where the chance of error is greater)
- The auditing firms' staff have in-depth expertise on the rate structures. For example in some cases the utility didn't switch the customer over to lower winter rates
- If overcharges are found (and they are found an estimated 80-90% of the time), the firm will help obtain either refund checks or credits to the accounts
- They take a percentage of savings (approximately 40-50%) as payment for their services. If no savings are found, then the client owes them nothing

The following are some examples of savings utility bill auditing firms have helped their clients realize...

- A manufacturing firm achieved savings of $50,000 on its electric bills
- Another manufacturing firm has seen their electric and gas bills go down by 10%
- A car dealership was able to obtain a $38,000 refund on its electric bills
- An insurance firm realized credits and refund checks of over $70,000 and a 11% reduction in water and sewer bills
- A rental car office was refunded almost $26,000 on its water and sewer bills
- A limousine company was refunded $30,000 of phone bill overcharges

We have developed a list of questions to ask potential providers of the utility bill auditing services...

- What is the process that you use to audit utility bills?
- What form does the data have to be in to analyze it?
- How do you charge? If by contingency, then what percent do you charge?
- Can you supply us with any references and examples of savings from clients comparable to the City of Boston operation?
- What are your capabilities (labor, technical, etc.) to handle an assignment of this magnitude?
- What is the timing to execute such a program and realize results?

We are determining the feasibility for establishing a credit card payment system and a network of gas stations for fueling needs.

Credit Card Fuel System

Data Required	Action Plan
Number of vehicles owned by the City (by dept., by type of vehicle)	Develop a matrix, enlist Enrique to help capture the data?
Estimated usage figures (by dept., by fuel)	"
Who are the local gas station chains that would be willing/large enough to set up such a system?	Talk to John Shea, get assistance from ADL library
Is there any credit card payment system in effect for any City depts. today?	Talk to Purchasing/Auditing
What are the purchasing credit cards out there?	Literature search on purchasing credit cards
How does Public Works charge the other depts. for fuel use?	Talk to Charlie Gately
What is the process involved? What are the pricing issues?	Call credit card companies and petroleum companies
How many tanks would be replaced? What are the capacities of those tanks?	Call John Shea
What is cost avoidance of not installing tanks?	Arthur D. Little's EHS Staff
What are the ancillary issues involved?	

For its most recent bids, the City estimated fuel usage of about 3.8 million gallons.

Fuel Usage Estimates

Total by type	Usage by City and Schools
Diesel Fuel - 1,300,000 Gallons	City of Boston - 450,000 Gallons
	Boston School Dept. - 850,000 Gallons
Gasoline 89 Octane - 500,000 Gallons	City of Boston - 250,000 Gallons
	Boston School Dept. - 250,000 Gallons
Gasoline 92 Octane - 2,000,000 Gallons	City of Boston - 2,000,000 Gallons
Total - 3,800,000 Gallons	**Total - 3,800,000 Gallons**

Presently, there are 72 tanks used for fuel storage throughout the City of Boston operations.

Department	Gasoline	Diesel
Transportation	1	1
Public Works	4	7
Police Department	10	0
Parks and Recreation	1	1
Boston City Hospital	1	0
Fire Department	10	36
Total Number of Tanks	27	45

The size of the tanks range from 10,000 gallons to 200 gallons.

Size of Tank (Gal.)	Gasoline Tanks	Diesel tanks
10,000	4	2
8,000	1	0
6,000	1	0
5,000	2	1
4,000	3	6
3,000	2	0
2,500	1	3
2,000	6	4
1,500	0	2
1,000	6	11
550	0	6
500	1	5
350	0	1
300	0	2
275	0	1
200	0	1
Total Tanks	**27**	**45**

1993 fuel appropriations and usage by department show that the six departments with the highest usage and budgets for fuel are those with the tank facilities.

Department	Auto Energy Expenditure	Number of Tanks	$ per Fuel Tank per year	Estimated Gallons per Tank per Year
Police	$1,133,000	10	$113,300	174,308
Transportation	$236,404	2	$118,202	187,622
Fire	$233,000	46	$5,065	8,304
Public Works	$209,000	11	$19,000	31,148
Health & Hospitals	$148,130	1	$148,130	227,892
Parks & Recreation	$100,000	2	$50,000	79,365
Public Facilities	$27,500			
Suffolk County Sheriff	$19,500			
Cemetery Division	$11,000			
Inspection Services	$9,000			
Real Property	$3,500			
Elections	$3,000			
Boards & Commissions	$1,000			

There are over 1250 vehicles owned by the City of Boston that require fueling.

Department	Vehicles/Equipment
Fire	21 Ladder Trucks
	33 Engine Pumpers
	3 Fireboats
	2 Rescue Units
	1 Tower Unit
	Total: 60
Police	495 Marked Vehicles
	308 Unmarked Vehicles
	65 Motorcycles
	30 Support Vehicles
	Total: 898
Public Works	148 Heavy Motor Equipment
	139 Passenger Vehicles
	Total: 287
Transportation	5 Fleet Vehicles
Parks and Recreation	267 Pieces of Equipment and Vehicles
City Hospital	15 On Duty Ambulances
Total Vehicles/Equipment	**1532**

By either upgrading the current network of tanks or removing them altogether, the City must face certain issues of cost and environmental liability...

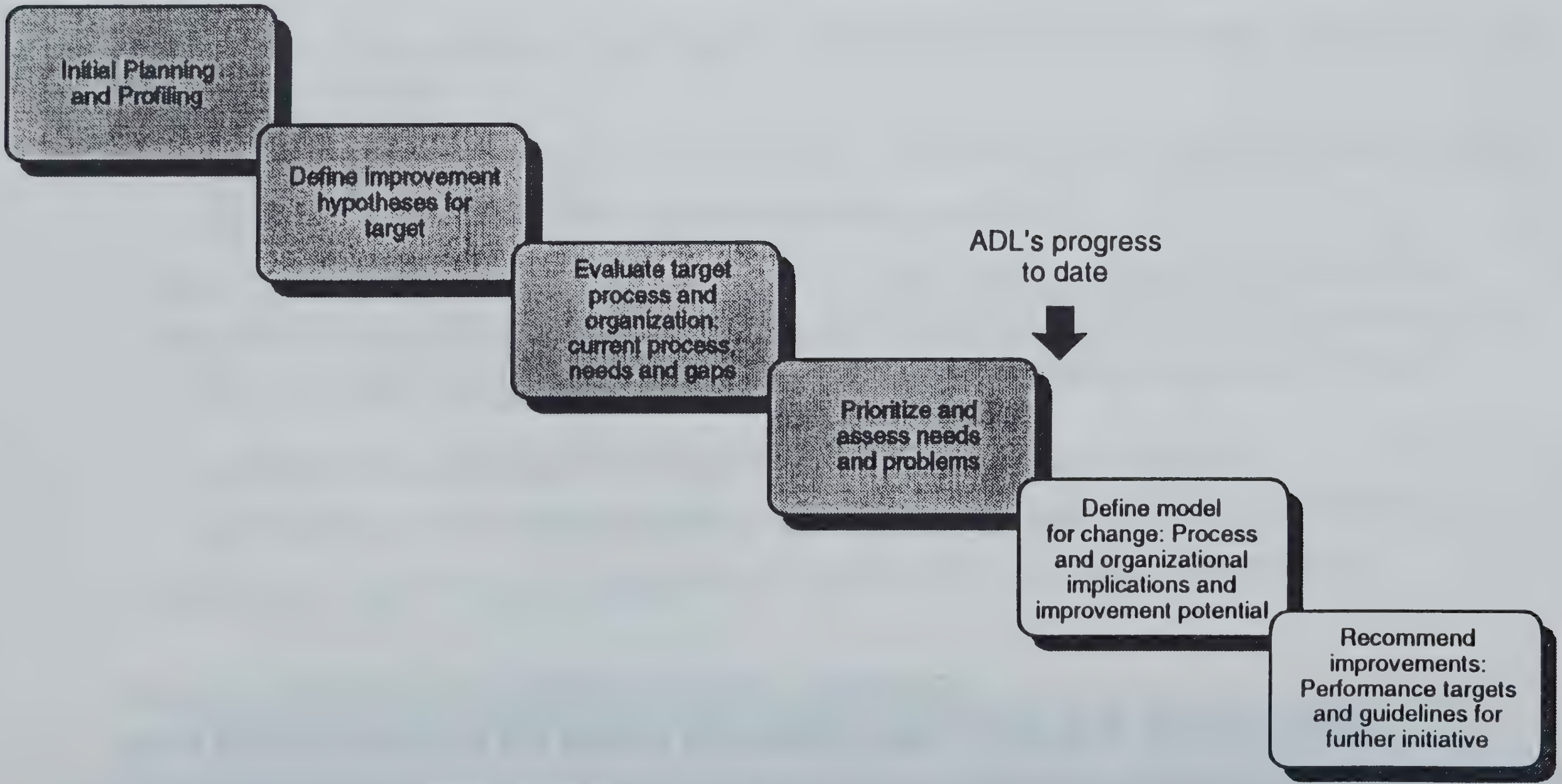
- The cost of upgrading fuel tanks is dependent on the number of tanks, not the size of them
  - This represents a large cost to the City, which has such a large number of tanks (27 gasoline, 45 diesel)
- Several pieces of information must be gathered to understand the full impact of replacement/upgrading
  - How old are the tanks?
  - What is the construction of the tanks?
  - What sort of corrosion protection is in place (asphalt, cathodic protection)?
  - Of the tanks in place, how many have already been upgraded to 1998 standards?
- Removing a standard gas tank costs on the order of $3,000 to $5,000
- Whether the tanks are removed or upgraded, the City will eventually have to deal with any spills that have occurred ....remediation charges can run from $30,000 to $50,000 per tank

Next steps need to be taken to realize the goal of a credit card payment system for fuels for city vehicles...

- Determine the supply market:
  - Who are the chains that have a large enough network?
  - Do they have the MIS capabilities for creating summary reports?
- In the July/August timeframe, the Police department is having 3 tanks removed and replaced and the Fire department is having 25 removed but only 6 replaced
  - What is the status of the tank replacement program?

Next Steps

We are continuing to develop information to determine the feasibility and potential of the two potential opportunities.



Initial Planning and Profiling

Define improvement hypotheses for target

Evaluate target process and organization: current process, needs and gaps

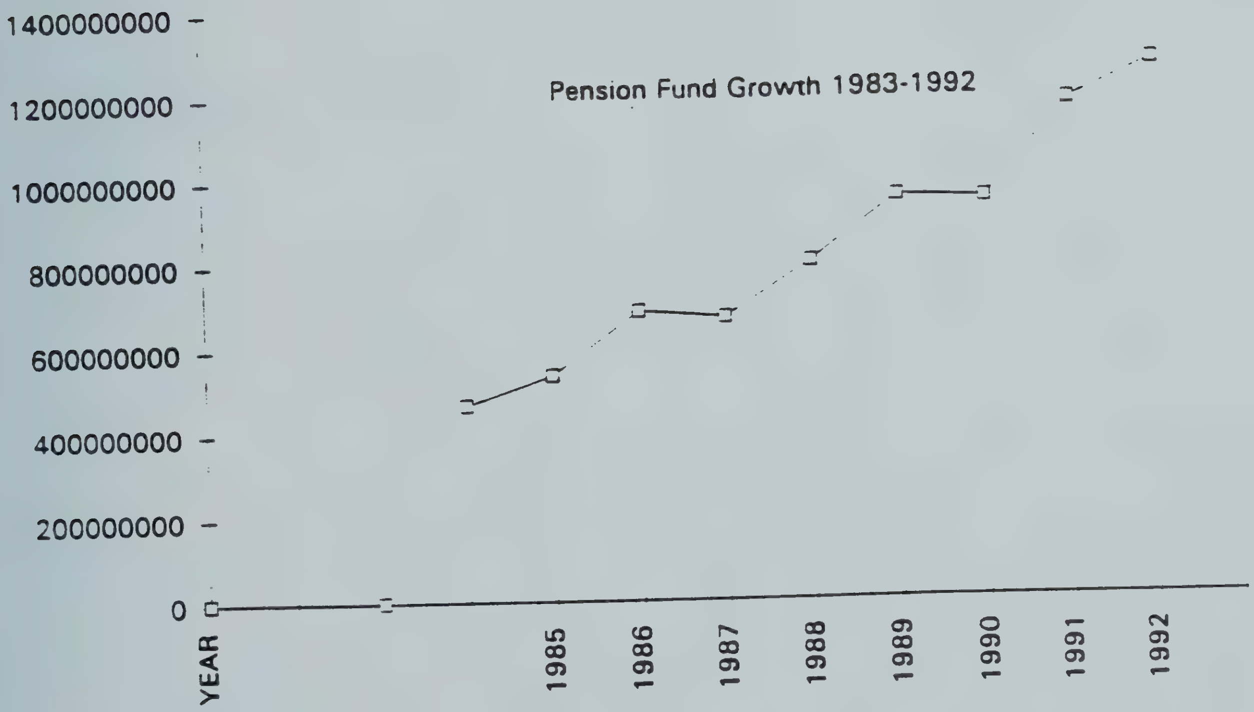
Prioritize and assess needs and problems

ADL's progress to date

Define model for change: Process and organizational implications and improvement potential

Recommend improvements: Performance targets and guidelines for further initiative

Our next steps will be to define the model for changing the processes as a basis for implementation.


Pension Fund Growth 1983-1992
1400000000
1200000000
1000000000
800000000
600000000
400000000
200000000
0
YEAR
1985
1986
1987
1988
1989
1990
1991
1992

Robinson, Lake, Lerer & Montgomery Sawyer Miller Group
Micho F. Spring, President

April 5, 1994

The Honorable Thomas M. Menino
Mayor of Boston
Boston City Hall
Boston, MA 02201

Dear Mayor Menino:

At your request, the Basic City Services Task Force has completed its strategic audit of the following departments: Arts and Humanities, The Boston Water and Sewer Commission, Business and Cultural Development, Elections, Neighborhood Services, Parks and Recreation, Public Works, and Transportation. This audit included interviews with Department Heads, knowledgeable City employees, and community activists concerned about the delivery of services to Boston residents.

In addition to these interviews, each department submitted an extensive report that highlighted its strengths, weaknesses, progress and challenges. These reports were reviewed with an eye towards keeping what works and eliminating that which does not.

Today's City workers face a myriad of challenges, including budget constraints, cumbersome regulations, and a general lack of public confidence in the ability of government to deliver services efficiently and cost effectively. At the same time, the residents of Boston continue to expect high quality services despite the shrinking resources due to Proposition 2 1/2 and federal and state funding cutbacks. As a result, City workers are criticized for poor job performance, often through no fault of their own, contributing to poor morale.

In spite of these adversities, the task force sees great opportunity for your Administration. The public expects and will support real change. The downsizing and streamlining of both private and public institutions have become the norm. And most importantly, there is growing sentiment that the City simply cannot afford to hold onto

500 Boylston Street, Suite 1860, Boston, Massachusetts 02116, 617-439-9255, Fax: 617-262-7340

its past way of doing business. You have an historic opportunity to redefine the way Boston's government delivers basic services for the next generation.

To realize this opportunity, we have recommended that you refocus and realign many of the City's resources along functional rather than departmental lines. As discussed in greater detail in the attached report, we have also recommended that these functions be integrated into a new secretariat, and that a new Chief of Basic Services be held accountable for the physical condition of all City property. We hope that, together, these steps will lead to the improved delivery of quality basic services to the residents of Boston.

I would like to thank my fellow members of the Committee and the entire transition staff for their time, help and support in completing this strategic audit. In particular, I would like to note that our task force was extremely impressed with the cooperation we received from the many talented people that comprise City government.

I would finally like to thank you, Mr. Mayor, for the opportunity you gave each of us to work with your new Administration. Speaking for the entire task force, it has been a privilege.

Sincerely,

Micho F. Spring
Micho F. Spring

Final Recommendations

of

The Basic City Services Task Force

April, 1994

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Part 1: Executive Summary

Last December, you charged our committee the Basic City Services Task Force, with the responsibility of conducting a strategic audit of those city departments currently engaged in the delivery of basic city services. These included:

- Arts and Humanities
- Boston Water and Sewer Commission
- Business and Cultural Development
- Elections Department
- MIS
- Office of Neighborhood Services
- Department of Parks and Recreation
- Department of Public Works
- Real Property
- Transportation Department

You challenged us to think broadly in developing a customer-focused, service delivery operation that could rival the best in the service-delivery business while fulfilling city government's broad range of responsibilities to the public. More specifically, you requested that we develop a series of recommendations that met your new administration's goals to:

- save taxpayers' money without reducing the scope or quality of basic services provided or the quality of service delivery,

- improve the overall quality of services and service delivery

- make Boston City government and city services more "user-friendly," providing greater accessibility and ensuring greater accountability to Boston residents and visitors, alike.

In response to this mandate, the Basic City Services Task Force is pleased to provide the following report: a series of recommendations, with supporting analysis, describing changes to the current structure and methods for providing basic services for the City of Boston. Our principal recommendations, in abbreviated form, are listed below. The remainder of this memo is dedicated to providing a more complete description of each recommendation, the problems it seeks to address, and the rationale for the Task Force's recommendations. An attached appendix provides:

- a description of the Task Force's methodology

- benchmarking information, to supplement the Task Force recommendations.

We hope that, in its entirety, this paper will provide a useful starting point for you and your administration to meet the goals and very high standards that you have set forth. We would like to acknowledge the support and cooperation we received in putting this report together from the many talented people that make up city government. Finally, the Task Force would like to thank you for asking us to be a part of this effort. It has been a privilege.

As such, the broad recommendations of the Basic City Services Task Force are:

1. REFOCUS BASIC CITY SERVICES.

The scope of activities and corresponding authority for all those departments providing basic city services should be refocused to accomplish a single, critical function: maintaining Boston's physical infrastructure, ensuring that all related city properties are safe, clean, accessible, attractive, and in good working condition. Key city departments responsible for fulfilling this mission should include Parks. Public Works, Transportation, and the real estate management function of Real Property. The Task Force's recommended actions regarding other departments they were asked to audit are described later in this report.

In most cases this refocusing will require consolidating certain activities that are now split among several basic city services departments. In other cases, it will demand transferring all non-maintenance activities, and related budget and statutory authority, out of Basic Services all together and into departments where the functional alignment makes more sense. This vision includes eventually transferring (and in some cases, consolidating) certain functions to other cabinet officers and departments such as:

- moving all planning activities to Economic Development
- moving recreational programs to Community Schools
- consolidating Arts & Humanities and Business & Cultural Affairs and moving them to Economic Development.

More details on the Task Force's recommendations for other departmental transfers appears in Section II.

2. CREATE A BASIC SERVICES CABINET POSITION.

Even with a more focused set of responsibilities around a singular function, there will continue to be a need for better coordination of those departments currently responsible for basic city services as well as a clearer sense of who is accountable for what, and who the ultimate decision-maker is. Departmental barriers must be broken and logic returned to the manner by which the City delivers basic services.

To this end, a new cabinet-level position-the Chief of Basic Services should be created. This individual should report to the Mayor through the Chief Operating Officer for the City, becoming the point person for all issues relating to the maintenance of Boston's physical infrastructure. The Chief's primary responsibilities, in the near term, should include overseeing, coordinating, and acting as spokesperson within the Mayor's Cabinet for, the following major city departments:

- Parks
- Public Works
- Transportation
- the real estate management function of Real Property,

In the longer term, to eliminate the duplication and inefficiencies that have hampered city services, the Chief of Basic Services should be responsible for reorganizing the above departments into a single secretariat for basic services. The Basic Services Chief should also:

- represent the City, as chief coordinator, on the Central Artery Board
- chair the Boston Water and Sewer Commission
- chair the Public Improvement Commission.

Finally, in line with the responsibilities stated above, the Task Force recommends that the Basic Services Chief be measured on his/her ability to:

- meet or exceed specific measures of customer satisfaction (see Recommendation #7)
- implement the long-term reorganization of city service departments delivering basic city services.

3. INTRODUCE MANAGED COMPETITION.

Boston, like other city governments, will have to become increasingly cost effective in providing basic services, continually demonstrating to its taxpayers and other users that scarce financial resources are being spent wisely. An effective approach that has been widely adopted by other municipalities and should be instituted by Boston is the introduction of managed competition into service delivery. Injecting competition into the delivery of basic services creates incentives to optimize performance and reduce costs-two very important goals of the new administration.

Some specific means the Task Force has identified for increasing competition, and thereby improving services and/or saving money, include:

- establishing a Building Management Office which would consolidate and possibly contract out all maintenance, repair, and management functions for city-owned properties currently held by, among other departments, School, Police, Real Property, and Public Facilities (details in Part II). A new, more open bidding procedure would be part of this effort as well as a rigorous screening process so that only those that are qualified compete.

- requesting that the State and Federal governments open up the bidding for Boston area service contracts so that City departments can compete. Some of the opportunities include bidding on MDC road maintenance projects and federal and state signage.

4. INCREASE THE USE OF PUBLIC/PRIVATE PARTNERSHIPS.

Boston cannot deliver basic services alone. City Hall needs private and non-government partners, including its own citizens for the variety of resources these others can bring in helping the City provide the highest quality services in the most cost effective manner. Specific resources include information. as well as intellectual capital, emotional commitment, physical energy, and financial resources-all directed toward helping to make the City a better place to live.

Over the years, city government has made several worthwhile efforts to involve the private sector and non-profit organizations in helping to improve the quality and quantity of available basic city services. Unfortunately, these efforts have developed on an ad hoc basis, with little if any coordination between City Hall and its various partners. Mayor Menino should create a focal point for programs of this kind, for instance, calling upon the Greater Boston Chamber of Commerce to act as the coordinating body for all city-related public/private partnerships. The Mayor should also expand upon the public/private partnership concept, working with a greater number of willing partners across a broader range of services, including:

- revitalizing/revamping the Parks Partners program
- establishing an adopt-a-block program.

5. PROMOTE REGIONAL COORDINATION AND COOPERATION.

Boston's city limits often seem to be meaningless when considering the delivery of basic city services. There are many instances in which city government does not control all the pieces or aspects of the physical infrastructure that lie within the City's limits. It is also not unusual for the City to have a vested interest in properties or projects that lie outside its physical boundaries because of secondary effects on city services.

Unclear boundaries can present as many opportunities for the City as potential problems if handled improperly. The Task Force recommends two particular approaches to resolving this situation: (1) eliminating, by statute, those state imposed mandates that constrain the City's ability to manage city services efficiently and effectively-such as amending the State law controlling city tow and storage fees so that Boston can charge up to the DPU approved towage and storage rate so that the City is unshackled from archaic state restrictions and free to provide the quality services the public demands; and (2) reaching out to local community, regional, and state authorities to develop regional responses to service delivery issues where cost savings and/or quality improvements can be realized. The recent work of the Commonwealth-City Commission on the Future of Boston Harbor Beaches is a good example of the second approach.

6. OPTIMIZE THE USE OF TECHNOLOGY.

Technology can and should play a critical role in facilitating the delivery of basic services, and make city government more accessible to its customers. Given its reputation as one of the major technology centers in the United States, Boston, in particular, should be a national model for government creatively using technology to reach the general populace.

Boston has already made significant advances technologically. But with the variety of resources potentially available to the City, there is much more that can be done. As a start, the Task Force recommends that City Hall reach out more aggressively to the region's technology companies and technology-oriented consulting practices, to seek their input as to how the City can most effectively use currently available technology as well as how to outfit itself for the future. The Mayor may want to establish a working group with representatives from these firms to advise him and individual Cabinet officers as to the best alternatives for Boston.

In addition. in the coming years, the Task Force believes the City should:

- maximize use of its existing systems through changes in management practices, better coordination. and more training

- selectively invest in new technologies to deliver a wide range of city services to all city users, for example, creating a high-tech version of "Little City Halls" where residents and visitors could conduct city-related transactions and access on-line government networks

- identify its future technology needs and conduct a comprehensive cost/benefit analysis before undertaking any significant investment.

7. UPDATE PERFORMANCE MEASURES .

Performance measures convey important information, not only to the taxpayers of Boston, but to city employees, as well. The Task Force recommends revising existing measures to better reflect the new Chief of Basic City Services' goal of providing high quality, customer-focused basic city services. In line with the recommendations put forth by Timothy White in his report, "Recommendations for the Development, Implementation, and Utilization of Effectiveness Measures in the City of Boston," the Task Force believes the new measures should emphasize output and results. Current measures, as stated in White's report, are "primarily workload measures and overall indicate little about the effectiveness or quality of the work being done." This methodology must change for the City to understand whether its delivery of basic services is meeting the public's needs. To facilitate this effort, the Task Force also recommends that the Chief of Basic Services work closely with the Municipal Research Bureau ("MRB") in developing new measures. The MRB has considerable experience in this area and could provide insight and assistance.

Finally as part of this same effort, the Task Force also recommends that the City develop innovative methods of reaching out to its customer base, to generate feedback on service delivery from those whose opinions matter most. This information will provide an equally powerful indication of service delivery performance, directly from the front-line.

8. LAUNCH PILOT VERSIONS OF KEY RECOMMENDATIONS.

Before launching the above recommendations on a city-wide basis, the Task Force recommends piloting several versions. Importantly, pilots will provide Boston residents with immediate examples of how the Mayor is seeking to improve the quality of city service delivery. At the same time, with appropriate measures in place, pilots can also provide City Hall with an invaluable opportunity to test innovative ideas and learn from feedback on a small scale before committing to more broad-based programs and therefore, possibly more costly mistakes.

Several pilot possibilities the Task Force recommends include:

- creating a high-tech mini-city hall in a community library, to make city government accessible after hours, 7 days a week, possibly with additional financial support from the private sector. The Mayor would select the specific site.

- selecting a specific area in the City in which there is a number of city-owned buildings to test the proposed competitive bidding and building management process.

- charging the Chief of Basic City Services to undertake a large, cross-departmental project-possibly a massive, city-wide spring clean-up effort as an example of the city's move toward greater integration of city service delivery. The private sector could be tapped for support in a demonstration of the potential of public/private partnerships.

Part II: Principal Recommendations

1. REFOCUS BASIC CITY SERVICES.

Problem: The focus on effective, high quality basic city services has gotten lost in the departmental shuffle. Overlapping lines of responsibility and the lack of coordination or accountability have left departments grabbing for "turf": new projects, bigger budgets, a greater array of possible functions. The result has been that the reach of those departments providing basic services has grown well beyond basic services themselves. Service delivery has become fragmented, buried, and, at worst, often neglected.

Recommendation **REFOCUS BASIC CITY SERVICES**

Rationale: We recommend that the scope of activities and corresponding authority for all those departments providing basic city services be refocused to accomplish a single, critical function: maintaining Boston's physical infrastructure, ensuring that all related city properties are safe, clean, accessible, attractive, and in good working condition. The Task Force includes in its definition of infrastructure city buildings, roads, bridges, sidewalks, water and sewer systems, street lamps, traffic lights, trees, and other physical improvements to city property, as well as city-owned open spaces such as parks, golf courses, and street medians.

In most cases this refocusing will require consolidating certain activities that are now split among several basic city services departments. Specific examples include:

- planting trees (currently managed by Parks, Public Works, BRA, and PFD)
- managing city-owned parking lots (split between BTD and Real Property)
- issuing permits for public and private construction, special events and utility repairs (handled in pieces by the Departments of Parks, Transportation, Environment and Fire).

In other cases, it will demand transferring all non-maintenance functions, and related budget and statutory authority, out of Basic Services all together to those departments which have related functional responsibilities. Longer term, this vision includes:

- placing all planning activities within Economic Development
- transferring recreational programs out of Parks to Community Schools
- consolidating Arts & Humanities and Business & Cultural Affairs into an Office Of Cultural Affairs that will act as the advocate for Boston's 16,000 member visual, performing and literary arts communities as well as its 150+ non-profit cultural organizations and moving the new unit to Economic Development
- moving part of the Elections Department (the Voter List) to the Department of Management and Information Services and transferring responsibility for the juror and residency lists back to the State Jury Commission

- consolidating maintenance responsibilities for all city owned buildings (including all municipal buildings, public schools, fire and police stations) and contracting out, where possible (see Recommendation #3)

2. CREATE A BASIC SERVICES CABINET POSITION.

Problem:

Even with a more focused set of responsibilities around a singular function, there will continue to be a need for better coordination of basic city services among city departments. Existing resources must be deployed more efficiently, in accordance with a common vision of service delivery, rather than viewed and used piecemeal, as they currently are, along departmental boundaries. Departmental barriers must be broken and logic returned to the manner by which the City delivers basic services.

The Task Force heard many stories where coordination among city services departments was lacking, and rework, waste, and inefficiency resulted. Road resurfacing and line painting were two recurring examples. Another, very recent example, occurred during one of this winter's worst snow storms: only the Mayor had the authority to bring together all the departments necessary to quickly deploy a broad-based, emergency snow removal effort. The Task Force believes that a situation like that should not require the Mayor's involvement but should be able to be dealt with at the operational level of city government. We also heard many examples of how better coordination could result in a more efficient use of resources: why, for instance, couldn't parking enforcement officials become part of the City's eyes and ears for what is happening on the street and reporting maintenace problems? Should they be limited to only issuing tickets?

Today, coordination among departments is the exception rather than the rule. We believe that in an increasingly complex delivery system, this has to change. In addition to more coordination at a higher level. We also see the need for a clearer sense of who is accountable for what, and who the ultimate decision-maker is. Roles and responsibilities must be clearly delineated.

Recommendation/ **CREATE A BASIC SERVICES CABINET POSITION.**
Rationale:

The Task Force recommends creating a new cabinet-level position the Chief of Basic City Services. This individual would report to the Mayor through the Chief Operating Officer for the City and would become the point person for all issues relating to maintenance of Boston's physical infrastructure. The Chief's primary responsibilities, in the near term, would include overseeing, coordinating, and acting as spokesperson within the Mayor's Cabinet for, the following city departments:

- Parks
- Public Works
- Transportation
- the real estate management function of Real Property.

In the longer term, to eliminate the duplication and inefficiencies that have hampered city services, the Chief of Basic Services should be responsible for reorganizing the above departments into a single secretariat for basic services. In addition, the Task Force recommends that the Chief:

- represent the City, as chief coordinator, on the Central Artery Board
- chair the Boston Water and Sewer Commission
- chair the Public Improvement Commission.

Finally, in line with the responsibilities stated above, the Task Force recommends that the Basic Services Chief be measured on his/her ability to:

- meet or exceed specific measures of customer satisfaction (see Recommendation #7)
- implement the long-term reorganization of city service departments.

3. INTRODUCE MANAGED COMPETITION.

Problem:

Like their counterparts in other municipalities, Boston taxpayers are becoming more educated and therefore, more demanding, about extracting the most value from their tax dollars-and rightfully so. In response, city government will have to continually demonstrate that scarce financial resources are being allocated in the most cost effective way possible. Injecting competition into the delivery of basic services creates incentives to optimize performance and reduce costs-two very important goals of the new administration.

Recommendation/ **INTRODUCE MANAGED COMPETITION.**
Rationale:

The Task Force spent considerable time studying the efforts of other cities in addressing this situation. An effective approach that has been widely adopted-and one which the Task Force recommends-is the introduction of managed competition into service delivery. Som specific means the Task Force has identified for increasing competition, and thereby improvng service and/or saving money, include.

- establishing a Real Estate Management Office which would consolidate and possibly contractout all maintenance, repair, and management functions for city-owned buildings currently held by a number of city departments including Real Property, Public Facilities, Schools, and Fire and Police. As part of this effort, a Request For Proposals ("RFP") process would need to be established as well as clearly defined criteria for selection. The intent would be to make the bidding process as open as possible, so that all qualified groups could apply, especially Unions, Community Development Corporations ("CDC's") and other experienced individuals and organizations from Boston's neighborhoods. Part of this effort would, of course, have to include a rigorous screening process that only qualified bidders are included.

- requesting that the State and Federal governments open up the bidding for their Boston area service contracts so that City departments could compete. Some of the opportunities include bidding on Metropolitan District Commission ("MDC") road maintenance projects and federal and state sign jobs.

- expanding contracting opportunities for solid waste collection and disposal and recyclable processing before the existing contacts expire on June 30, 1994, to take greater advantage of changing market conditions.

- providing incentives for management innovations.
- franchising bundled vendor locations to more fully realize the economic value generated by some of the most lucrative locations such as Fenway Park and Downtown Crossing. Bundling will also simplify the administrative process.

Despite fears to the contrary, competition can often be a win-win situation, translating into more employment opportunities for city workers rather than less while demonstrating the government's willingness to be accountable to the City's taxpayers. Competition can take many forms. Not all will be appropriate for every type of basic service. And in fact, some services, such as emergency services, may be better left out of the pool altogether. The key is to introduce competition selectively and only where cost savings and/or quality improvements will be realized. Several examples of other municipalities that have successfully introduced competition into their service delivery structures are provided in the appendix.

4. INCREASE THE USE OF PUBLIC/PRIVATE PARTNERSHIPS.

Problem:

Boston cannot deliver basic services alone. City Hall needs partners, including its own citizens, for the variety of additional resources they can bring to bear in helping the City provide the highest quality services in the most cost effective manner. Resources include the information they can provide, as well as their intellectual capital, emotional commitment, physical energy, and financial resources-all directed toward helping to make the City a better place to live.

Recommendation/ **INCREASE THE USE OF PUBLIC/PRIVATE PARTNERSHIPS**
Rationale:

Over the years, city government has made several worthwhile efforts to involve its broad range of customers in helping to provide basic city services. As an example, the Parks Department has often turned to the private sector and non-profit organizations, through such initiatives as Friends of Boston Commons and Parks Partners, to provide additional financial and human resources to the job of maintaining Parks' properties. Unfortunately, most of these partnerships have happened on an ad hoc basis, making it difficult to coordinate programs and realize possible efficiencies. To correct this situation, the Task Force recommends that Mayor Menino create a focal point for programs of this kind. As an example, the Mayor could call upon the Greater Boston Chamber of Commerce to act as the point person for all city-related public/private partnerships. The Mayor should also expand upon the public/private partnership concept, by more actively seeking out potential partners in a more systematic and comprehensive manner. Partnerships can be both formal and informal, as long as they are actively engaging the public in the service delivery process. Specifically, the Task Force recommends:

- expanding the number and range of public/private partnerships to encompass as many aspects of city services as possible, including:
  - revitalizing/revamping the Parks Partners
  - program
  - establishing an adopt-a-block program
  - creating business-sponsored cultural events

- incorporating, on a regular basis, community groups, citizen leagues, and related non-profit organizations into preliminary policy discussions on issues affecting basic city services

- initiating a citizen's hotline for reporting maintenance problems in the neighborhoods. An interactive voice response system (1-800-SERVICE) would empower the average person on the street to play a role in keeping Boston's infrastructure in top working condition and make city government feel more accessible to all.

5. ENCOURAGE REGIONAL COORDINATION AND COOPERATION.

Problem:

The actual lines of Boston's city limits often seem to be meaningless when considering the delivery of basic city services. On the one hand, city government does not control all the pieces or aspects of the physical infrastructure that lie within the City's limits. Many existing properties operate under the authority of regional, state, or federal entities-the Emerald Necklace and several other MDC properties being good examples. New projects, such as the Central Artery, often have the same characteristics.

On the other hand, the City frequently has an interest in properties or projects that lie outside its physical boundaries. Regional transportation issues such as the proposed extension of the commuter rail are among those that were brought to the attention of the Task Force.

This blurring of boundaries has been troublesome for the City. Some of the problems have caused the City to be blamed for conditions or situations that are beyond its control as has often happened with state owned properties that are within city confines. There have also been a number of occasions in which the City has not be given an adequate voice in planning a project it ultimately has become responsible for maintaining. Here, the Central Artery is the most obvious example.

Recommendation/ **ENCOURAGE REGIONAL COORDINATION AND COOPERATION**
Rationale:

Unclear boundaries can present as many opportunities for the City as potential problems if handled properly. The Task Force recommends two particular approaches to resolving this situation: (1) eliminating, by statute, those state imposed mandates that constrain the City's ability to deliver city services affairs efficiently and effectively; and (2) reaching out to local community, regional, and state authorities to develop regional responses to service delivery issues where cost savings and/or quality improvements can be realized.

The Task Force recommends that the City prepare a legislative package to unshackle Boston from archaic state requirements that inhibit city officials from delivering quality basic services. Such a package might include any or all of following initiatives:

- reassessing and possibly revising expensive environmental regulations that have been imposed by both the state and federal governments with no obvious means to fund them;
- reviewing and possibly reforming the civil service structure and procedures;
- enacting a congestion management fee to bring the City into compliance with federal Clean Air Act requirements. The State's current plan is to tighten Boston's parking freeze, placing the City's ability to control plans for future economic development in jeopardy;
- requesting mitigation funds for the Massachusetts Water Resources Authority's ("MWRA's") use of Jamaica Pond as a holding facility;
- reallocating Olmstead Landscape Preservation Program funds so that the City receives a fairer share of the total $10.0 million appropriation;
- requiring street occupancy permits for State, Federal, and regional authorities. Currently, agencies such as the MDC, the Mass. Highway Department, and the MBTA are all exempt from such requirements;
- amending the State law controlling city tow and storage fees so that Boston can charge up to the Department of Public Utilities ("DPU") approved towage and storage rates;
- amending State law to allow Boston to charge the same non-renewal fee as other municipalities in the Commonwealth. Today, Boston is the only city which is not allowed to charge such a fee;
- reconfiguring the Metropolitan Planning Organization ("MPO") structure to establish more parity between State priorities (typically suburb oriented) and the City's priorities. State projects are currently on the fast track, leaving city-supported projects, such as the circumferential transit loop, behind.

The second phase of the Task Force's recommendation is more tactical: when faced with situations in which there are multiple voices with varying degrees of authority at the table, the City must be proactive in its efforts to assert its position. It is also critical in these situations that the City learn to operate as one body, with the full clout of city government supporting one point of view, and not be viewed as several different departments with competing agendas. Some specific areas in which the Task Force believes the City must adopt or continue this approach include:

- Management of the Central Artery project, especially the management of the Joint Traffic Management and Construction Agreement. The Central Artery project continues to move ahead, despite the absence of a clearly identified city spokesperson for the project. City Hall must move quickly to ensure that Boston's interests continue to be represented with one voice and that it maintains a strong position during ongoing negotiations. Nothing will have greater impact on the challenges facing the Chief of Basic Services than the Central Artery project. The opportunities, as well, will be enormous. The Mayor should make it very clear that he sees it as his mandate to ensure that the City functions properly and that the interests of Boston businesses and residents are protected both during the project and after it is completed. This includes maintaining control of city streets and traffic as well as making the best use of the opportunity to upgrade the City's infrastructure and take the first steps toward the Boston of tomorrow.

- development and maintenance of public beaches along Boston Harbor. The City has committed to supporting the work of the Boston Harbor Associates in following through on the recommendations of the joint Commonwealth-City Commission on the Future of Boston Harbor Beaches. This body and its work should become a model of future partnerships between the City and the Commonwealth to address basic service issues of mutual concern.

Finally, Boston should also take a lead role in identifying opportunities for regional approaches to service delivery that can benefit all involved through lower costs and higher quality. Some possible examples include:

- roadway maintenance

- snow removal.

6. OPTIMIZE THE USE OF TECHNOLOGY.

Problem:

One of the Task Force's most surprising findings was learning the extent to which Boston is already technologically well-equipped. The more serious issues appear to be the degree to which the existing systems are underutilized and the tendency for many observers and users to want to ignore the City's current potential in favor of wholly new, probably expensive, set-ups.

Recommendation/ **OPTIMIZE THE USE OF TECHNOLOGY**
Rationale:

The Task Force believes that technology can and should play a critical role in facilitating the delivery of basic services and, importantly making all of city government more accessible to its customers. Given its reputation as one of the major technology centers in the United States, Boston, in particular, should be a national model for government creatively using technology to reach the general populace.

Boston has already made significant advances technologically. But with the variety of resources potentially available to the City, there is much more that can be done. As a start, the Task Force recommends that City Hall reach out more aggressively to the region's technology companies and technology-oriented consulting practices, to seek their input as to how the City can most effectively use currently available technology as well as how to outfit itself for the future. The Mayor may want to establish a working group with representatives from these firms to advise him and individual Cabinet officers as to the best alternatives for Boston.

In addition, in the near term, we recommend that the City should make every effort to more fully utilize its existing systems by:

- conducting a comprehensive audit of current capabilities and the range and cost of services that can be provided with such equipment.
- addressing the management issues that make coordination of information and data impossible. According to the head of MIS, Alan Stern, technology is not the impediment to a centralized information system. Rather, departmental policies, such as individual service delivery boundaries, prevent data from being consolidated.
- tapping into the PIN television system that is wired into many city and non-city sites around Boston.
- providing adequate training for city employees as to how to use the current systems.

We also recommend that the City look more closely at some technological innovations being adopted in other cities to determine whether they would achieve the necessary improvements in service quality at reasonable costs. Some of these ideas include:

- creating a City Services Information Highway based on information kiosks or the like for accessing information, paying city bills, parking tickets and other payables, filing city documents, and providing feedback
- equipping parking enforcement officials with hand-held computers to communicate valuable information to other areas of city government such as providing data on abandoned cars to the police department.

Before adding to or replacing the current system, the Task Force also recommends that the City:

- conduct a more comprehensive assessment of its technological needs, both now and in the near future
- perform a cost benefit analysis of a range of system alternatives.

Technology is potentially powerful but also expensive and often misapplied. On too many occasions, organizations make the costly mistake of looking to technology to provide an easy, short-term solution to a larger, longer-term problem or challenge. The Task Force believes that before launching into any new technologies. the limits of City's current system must be fully tested. Moving beyond, the acquisition of any new technologies should be predicated on a detailed analysis of the costs and potential benefits to the City's "customers " .

7. UPDATE PERFORMANCE MEASURES.

Problem:

Existing performance measures are inconsistent with the mission of the new cabinet level post and rely too heavily on process measurements as opposed to assessments of outcomes and results. As stated in Timothy White's report, "Recommendations for the Development, Implementation, and Utilization of Effectiveness Measures in the City of Boston", current measures are "primarily workload measures and overall indicate little about the effectiveness or quality of the work being done". This methodology must change for the City to understand whether its delivery of basic services is meeting the public's needs.

Recommendation/ **UPDATE PERFORMANCE MEASURES**
Rationale:

The Task Force recommends revising existing measures to better reflect the new Secretariat's goal of providing high quality, customer focused basic city services. In line with the recommendations put forth in the "Measures" report, the Task Force believes the new measures should emphasize output and results. Customer service indicators, in particular, should become the fundamental yardstick by which the performance of the Chief Basic City Services and all affiliated department heads are gauged. To facilitate this effort, the Task Force also recommends that the Chief of Basic Services work closely with the Municipal Research Bureau ("MRB") in developing new measures. The MRB has considerable experience in this area and could provide insight and assistance.

Finally, as part of this effort the Task Force also recommends that the City develop innovative methods to reach out to the general public on a more regular basis, to capture opinions on the quality of city services provided from those that matter most. This information. while subjective, will provide an equally powerful indication of service delivery performance. Several ways to accomplish this include:

- using any of the available on-line services described above such as a citizen's hotline (1-800-SERVICE) or the ATM-type machines

- working with community-based organizations to conduct regular "town hall-type" meetings, to listen to concerns and provide information.

Performance measures are important information, not only for the taxpayers of Boston, but for city employees and visitors, as well. Particularly in the public sector, where the "bottom line" is often hard to quantify, they provide a useful starting point for:

- understanding how effectively city government is functioning

- pinpointing and rewarding exceptional performance

- identifying problems, looking for solutions, and learning from mistakes.

8. LAUNCH PILOT VERSIONS OF KEY RECOMMENDATIONS.

Problem:

Instituting broad-scale changes is difficult and, due to the likelihood for start-up glitches, often costly both in terms of time and money.

Recommendation/ **LAUNCH PILOT VERSIONS OF KEY RECOMMENDATIONS**
Rationale:

Before launching the above recommendations on a city-wide basis, the Task Force recommends piloting several versions. Importantly, pilots will provide Boston residents with immediate examples of how the Mayor is seeking to improve the quality of city service delivery. At the same time, with appropriate measures in place, pilots can also provide City Hall with an invaluable opportunity to test innovative ideas and learn from feedback on a small scale before committing to more broad based programs and therefore, possibly more costly mistakes.

Several pilot possibilities the Task Force recommends include:

- creating a high-tech mini-city hall in a community library, to make city government accessible beyond the hours of nine to five, 7 days a week. With additional financial support from the private sector, the Mayor would not only be able to test the high-tech, mini-city hall concept, but he could also pursue his plan to keep libraries open Saturdays and Sundays. It would be up to the Mayor's to select in which community this concept would be piloted.

- selecting a specific area in the City in which there is a number of city-owned buildings to test the proposed competitive bidding and building management process.

- charging the Chief of Basic City Services to undertake a large, cross-departmental project-possibly a massive, city-wide spring clean-up effort-as an example of the city's move toward greater integration of city service delivery. The Chief could tap into the private sector for support in another demonstration of the potential of public/private partnerships.

Appendix A:

Task Force Methodology

The Basic City Services Task Force's review was made up of three principle phases involving the following steps:

1. Information Gathering

The Task Force conducted an audit of the following departments:

- Arts and Humanities
- Boston Water and Sewer Commission
- Business and Cultural Development
- Elections Department
- MIS
- Office of Neighborhood Services
- Department of Parks and Recreation
- Department of Public Works
- Real Property
- Transportation Department.

Individual Task Force members met one-on-one with the heads of each of these department, covering a list of questions (attached) generated by the Task Force. In turn, each department head was asked to submit an extensive report, documenting in detail their responses to these same questions. Department heads were also asked to present this same material to the group as a whole and respond to whatever questions arose.

In addition to speaking and meeting with department heads, Task Force members interviewed knowledgeable city employees and community activists concerned with the delivery of basic city services, soliciting their thoughts and ideas on trouble spots and opportunities and recommendations for improvements.

2. Group Discussion

In the course of several group meetings in January, the Task Force reviewed the information collected, discussing the various recommendations, and selecting and refining a handful to present to the Mayor.

3. Development and Finalization of Recommendations

Recommendations were finalized by the Task Force in early March with several draft documents having been worked on throughout the month.

Appendix B:

Bench marking Information

Largely thanks to the efforts of Kerry O'Brien, the Task Force researched efforts by other municipalities to reach the same goals as had been laid out for us, specifically to:

- save taxpayers' money without reducing the quality of basic services provided, the quality of service delivery, or the number of basic services provided

- improve the overall quality of services and service delivery

- make city government and city services more "user-friendly", providing greater accessibility and ensuring greater accountability.

Most of the so-called bench marking information gathered fell into a limited number of subject areas:

- introducing competition (also referred to as public/private competition. contracting, outsourcing, and privatization)

- public/private partnerships

- increasing accessibility through the innovative use of technology.

A few cities were considered models in their practices:

- Phoenix, Arizona (competition, employee involvement, technology)

- Philadelphia (competition, employee involvement)

- Indianapolis, Indiana (competition)

- Milwaukee, Wisconsin (competition).

What follows is a selection of press clips, organized by categories, that should be considered supporting materials for many of the Task Force's recommendations in these areas.

INTRODUCING COMPETITION

1. "City Light: America's Boldest Mayors", Policy Review, Summer. I 993:

- Philadelphia
- Indianapolis
- Milwaukee

2. "Privatization in America: An Opinion Survey of City and County Governments", Touche Ross

3. "New Wave Privatization", Ronald Jensen, Director of Public Works, Phoenix, Arizona, Date Unknown.

4. "Public/Private Competitive Proposal Process", City of Phoenix, Date Unknown.

5. "Tools for Cost and Quality Management", City of Phoenix, Department of Public Works, Fall 1990.

6. "Indianapolis and the Republican Future", Governing, 1991.

7. "Privatization Increases at State Level", Government Technology, December, 1992.

8. "When Cities Turn to Privatization", The Wall Street Journal, December 3, 1992.

9. "Remarks by Mayor Stephen Goldsmith", The Privatization Council's 6th Annual Conference, April, 1992.

10. "Moving Municipal Service Into the Marketplace", Carnegie Council Privatization Project, November, 1992.

11. "A Mayor Show Gore's Team the Way", The Washington Post, August 25, 1993.

PUBLIC/PRIVATE PARTNERSHIPS

1. National League of Cities Summary: "Examples of Programs for Cities":

• Poway, California:	Adopt-a-Trail
• Gardiner, Maine:	Adopt-a-Tree
• Clifton, New Jersey	Clean Communities Program
• Redding, California	Volunteer Litter Patrol
• Grand Lake, Colorado	Volunteer Maintenance
• La Mirada, California	Probation Maintenance Volunteers
• San Bernadino. California	Volunteer Maintenance

2. "Businesses Make BID's to Boost Downtown", City & State (New York), June, 1992.

3. "Finding New Heroes For a New Era", Fortune, Date Unknown.

4. "The Private Sector, the Public Interest", The New York Times, July 12, 1993.

INCREASING ACCESSIBILITY THROUGH THE INNOVATIVE USE OF TECHNOLOGY

1. "R.I. Meter Maids to Issue High-Tech Tickets", Boston Herald, August 16, 1993.
2. "A New Breed of Mayor", The Wall Street Journal, November 4, 1 993.
3. "Are You Ready for the Democracy Channel?", Electrosphere, February 23, 1994.
4. "Logging on to Your Friendly City Hall", Governing, January 1994.
5. "Making Public Access Work for Governments", Source Unknown, Date Unknown.
6. "How to Find Out What They Want", SABA, Autumn/Winter 1993.

Recommendations for the Development Implementation, and Utilization of Effectiveness Measures in the City of Boston

Timothy C. White
January 31, 1993

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Introduction

The city of Boston currently measures over 1200 performance indicators developed by the city's various departments and the Offices of Budget and Program Evaluation. Measures currently tracked by the city Include the amount of footage covered by street cleaners, the tons of rubbish collected, and the number of crime prevention presentations given. While such measures serve various operational purposes and can be used to justify expenditures and determine budget requirements, they are primarily workload measures and overall indicate little about the effectiveness or quality of the work being done by the city's departments.

In order to gain an understanding of the effectiveness of services being performed it is necessary to develop measures that monitor such Aspects of city service delivery as:

- The degree to which the intended purposes of the service measured is being met.
- The adequacy of the quantity of the service provided relative to citizen needs, and desires.
- The speed and courtesy with which the city responds to citizen's needs and requests.

Ultimately, the reassures should monitor whatever is involved in answering the question, "How well is this service doing what it should do for those it is intended to serve?"

It is not necessary for developed measures initially to be extremely detail oriented. Their purpose is not to identify the success or failure of specific programs, but rather, to seen as a barometer in measures the overall effectiveness of city Service delivery. While a more comprehensive system of effectiveness measurement will likely be developed over time, the implementation of a handful of measures (5-6) for each service should significantly increase the quality of information available for evaluating the city's service delivery effectiveness.

The purpose of this paper is to provide recommendations for establishing and monitoring effectiveness measurement standards to be utilized by the Mayor, Department Managers, and Citizens of Boston as indicator's of how effectively the city's governmental departments are achieving their objectives and effectively serving their customers.

Laying the Foundation for Measure Development

Key to the establishment and utilization of effectiveness measures by the city is the leadership of the Mayor and his administrative staff. It is vital that they ensure that managers understand the importance of the measures and have a clear focus of what the Mayor is seeking to accomplish by implementing the measures.

In order to guarantee that the process of development and implementing the measures receives the attention that it deserves, the Mayor's Office should make sure that the effort receives the necessary administrative assets. While the process does not necessarily require a great number of personnel or resources, assignment of one or more individuals will be necessary to serve as a catalyst and trouble shooter for the process.

The assignment of individual(s) to the implementation of effectiveness measures is important for several reasons . First, assigning personnel to the development of outcome based performance measures should ensure that the effort receives the attention that it requires. Several city officials interviewed regarding this project felt that past efforts to institute more comprehensive effectiveness performance measures within city government were short-lived because resources were not made available to focus on measurement development and consistent monitoring. Second, personnel focused on the task can most effectively educate and work with city government managers in the establishment of the measures. Education of managers is key in the development and utilization of the measures because it will help them fully understand the purpose and importance of the measures. Third, it is unlikely that operating departments have the recourse or expertise to adequately analyze effectiveness data and report it in a meaningful fashion. Fourth, designation of personnel to the task will help to keep the process objective. If people are to rely on data they must trust its objective.

Development and Implementation Option

In determining resources required for establishing and implementing effectiveness measures a fundamental decision must be made. Whether to implement the program on a broad level, development and measuring performance based measures in a large number of city departments, or piloting the program in a select number of areas within city government. Both approaches have their advantages.

Institution of the measures on a broader basis is advantageous in that it exposes a greater number of departments and personnel to the concept and practice of measuring results. The process of formulating desired outcomes with a focus toward the customer, and establishing measures to monitor those outcomes, will be extremely beneficial to many departments. Many departments may find that their previous goals were not entirely clear or that they were focused on the wrong thing. Most organizations find that what gets measured gets done, and thus, the process of formulating and utilizing measures based on outcomes on a broad basis should produce positive service delivery results.

Implementation of effectiveness measures on a broad basis would also serve as a useful evaluative tool for formulating general assessments of how effectively city services are being delivered. Data gathered in monitoring effectiveness measures should provide information about Service delivery strengths, weaknesses, and trends that could be utilized by the Mayor and managers to recognize department's shortcomings and/or set priorities.

Utilizing a more focused approach in Implementing effectiveness measures can also be advantageous for several reasons. First, by working to implement a system within a small (two to three) number of departments a much more controlled atmosphere is possible. Departments targeted can be chosen for their eagerness to participate and for the ease with which the service that they provide can be measured. By concentrating efforts on areas that are eager to participate and which possess easily definable desired outcomes the practitioners will be able to refine their processes before attempting to apply them to other departments.

A more focused approach also allows effectiveness measures to be applied to many aspects of management more quickly and effectively than if implementation is attempted on a large scale. For example, utilizing information obtained from effectiveness measures about departmental performance can be tied to processes such as budgeting, reward systems, or increasing the managerial flexibility of department heads. Such tie-ins are important because they maximize the usefulness and application of the data produced by measurement procedures and also increase the incentives to government managers to participate constructively in effectiveness evaluation process. It has been found in many instances that simply development and monitoring effectiveness measures does not guarantee that managers will use them as a guide for improving performance. Thus, attaching the results of the data to processes such as those mentioned above makes it much more likely that measurement efforts will make a worthwhile difference.

Many experts believe that the initial implementation of effectiveness measurement on a limited basis greatly increases the chance of overall success for an effectiveness measurement system. They advocate starting small, learning from mistakes, and using success to educate, motivate, and bring other departments into the program. Also, implementation of the measures on a limited scale should require fewer resources than implementation on a large scale. Thus, during this time of limited budgets and resources, the city may find implementation on a small basis with a few carefully selected departments and managers to be the most prudent choice.

Measure Development

While the amount of required resources, time, and expertise will vary depending on the breadth and scope of effectiveness measures that are attempted, the methods found effective for developing appropriate measures are similar regardless of the scale of the effort.

An initial step that must be taken in order to generate enthusiasm and cooperation necessary to develop and use effectiveness measures is the education of personnel. Individuals who will be using the measures, particularly department heads, will have to clearly understand the purpose of the measures and how their use can lead to more effective governance. Many personnel's initial reactions to the outcome performance measures will be that they are indistinguishable from the measurement system currently utilized by the city and/or that they are simply another trendy management technique that will quickly be forgotten.

During the education process managers need to understand that they will be involved in the development of the measures that will be utilized for their departments. Such an understanding is crucial because in developing the measures it will be essential that managers feel they "own" the measures that will be used. If stuck with measures which they have had no input in developing resistance, cheating, and low morale is sure to exist.

During, and in spite of, education efforts, individuals working with managers to develop and implement effectiveness measures should be prepared for a certain amount of resistance. Some managers will feel threatened by attempts to monitor their effectiveness.

To combat resistance the measurement concepts need to be presented in a very positive, constructive manner. Managers should be assured that the measures are intended to improve their department's effectiveness and not highlight short-comings. Also, managers need to be sold on the objectivity of the process. Criticism of past attempts by the city to Implement outcome based performance measures had been that the process took on political characteristics which led to the use of measures in varying ways dependent on a department manager's relationship with the administrating body and/or the Mayor's Office.

Following the initial education of managers on the purpose and requirements for effectiveness measurement, managers and individuals who will be administering the measures must begin the process of defining those measures that will adequately gauge the effectiveness of service delivery. A useful starting point for this process is the identification of who the customers are for a given department's services and what criteria are used by these customers to determine if service delivery is effective is ineffective.

While a seemingly straightforward exercise, customer identification for many departments will be difficult because customers served will not fall into easily classifiable groups but rather many difficult to define categories with different wants and needs. In seeking to identify a service's customers, objectives, and measurement criteria practitioners should ask the following types of questions:

1. Who is the target of the service? What types of people? Is the community as a whole affected by the service?

2. What is intended to be accomplished by the service in the minds of the customer? How would the service manager know if the service is being delivered effectively? What evidence would be accepted as indicating "success"?

3. What would happen if the service were eliminated? Who would complain? Why would they complain?

Measure developers may also find it necessary to gather different types of information from a number of sources in order to help them identify customers and priorities. Such information may come from areas such as departmental personnel who work closely with customers, on-site interviews with service recipients, or some form of customer survey.

In identifying service goals and priorities developers must also make sure that their developments are consistent with the overall strategic priorities of the city and the Mayor. A thorough understanding of the Mayor's Strategic objectives will help developers gear their measurements efforts toward the critical priorities of the city. Also, an understanding of the Mayor's strategic objectives should help developers prioritize measures in areas where services possess multiple objectives and customer demands.

The articulation of strategic objectives or goals as a key component in the development of effectiveness measures has proven to be important for providing focus to the measure development process in both private and public sector organizations. Prior to establishing effectiveness measures, city officials in Portland and Milwaukee successfully used the development and articulation of their city's strategic objectives as starting points for measurement development efforts. Similarly, the Federal Reserve Bank of Boston, an organization that has been active in improving their performance measurement system since the 1970s, ensures that manager's consider both customer needs and the bank's multi-year strategic objectives when establishing their annual effectiveness measures. Bank officials in charge of measure development annually assess whether measures being utilized apply appropriately to at least one of their four multi-year strategic objectives.

When prepared to settle on specific measures, it will be helpful to know that the measures met the following criteria, of an adaptation thereof, in order to ensure that they will serve the purpose for which they are intended and can be practically utilized.

1) Appropriateness and validity -- Does the measure accurately measure the effectiveness of the service that it is intended to monitor? Will the measure give an accurate picture of the degree to which citizen needs or desires are being met?

2) Uniqueness -- Does it measure effectiveness in a more appropriate or effective way than other measures that could be developed or that already exist.

3) Completeness - Do the measures adequately cover the primary objective(s) of the service being monitored, or conversely, do the measures attempt to cover too much. Measures that are too narrow may drive service providers to emphasize some goals at the expense of others. If the measures attempt to be too comprehensive. Service providers may become confused about priorities and feel burdened by the administrative demands placed on them by the measurement system.

4) Comprehensibility is the measure understandable and easily interpretable by persons not involved in the measurement analysis process. Measures should provide managers with straightforward information. Measures that do not show easily understandable results should be avoided.

5) Controllability -- Does city government have control over the measure or is that which is being measured the responsibility of another governmental body or the private sector?

6)Timeliness of Feedback - Is the data needed to monitor the measure available quickly and in a timely manner?

7) Accuracy and Reliability -- Can sufficiently reliable and accurate data be obtained?

8) Cost -- Are cost and staffing requirements for acquiring data for the measure reasonable?

Most measures developed will not be perfect from the beginning. Rather, it will be necessary that they be refined and adjusted over time. As cities with developed performance measurement systems have found, the process of adopting measures, and then adjusting them with the help of employees and service providers, is always necessary.

Examples of Service Objective Effectiveness Measures, and The Data Collection Vehicles Used to Monitor those Measures.

The following are examples of effectiveness measures that have been utilized by other cities or recommended for use by The Urban Institute. They are intended to provide examples of the possible measures that could be used by the city of Boston. Of course it is important for each city instituting the use of effectiveness measures to tailor the measures to the needs of its citizens, the capabilities and resources of its departments, and the monitoring capabilities of city government.

RECREATION SERVICES:
Overall Objective: To provide all citizens with a variety of safe, enjoyable, and well-maintained leisure opportunities.

Specific Objective	*Quality Characteristic*	*Specific Measure*	*Monitoring Method*
Safety	Injuries to participants resulting from accidents.	Number of serious injuries (for example, those requiring hospitalization) per 10,000 users.	Accident and attendance statistics
Enjoyableness	User Satisfaction	% of those households using community park or who rate them as good or very good.	General Citizen survey or survey of users of particular facilities
	Usage- Participation rate	Number of visits at recreation sites	Attendance statistics from recreational facilities
Physical Attractiveness	Facility Cleanliness	Rating of cleanliness of facilities as good or very good.	Trained Observer inspection or general citizen survey
	Equipment Condition	Rating of Condition of equipment as good or or very good.	Trained Observer inspection or general citizen survey

GENERAL TRANSPORTATION SERVICES (VEHICULAR):

Overall Objective: To provide vehicular access desired destinations within the city for all citizens in a quick, safe, and comfortable manner.

Specific Objective	***Quality Characteristic***	***Specific Measure***	***Monitoring Method***
Safety	Frequency of accidents	Number of reported traffic accidents at the rate of 10,000 population.	Police accident reports.
	Preventability of accidents	Rate of accidents involving a contributing factor that can be influenced by a local government agency	Police accident reports.
Comfort	Street surface condition.	Percentage of a selected sample of streets with rideability (street surface conditions) rated as good or very good.	Trained observer ratings, ratings, roughness measuring instrument and/or general citizen survey.
Rapid Movement	Travel Times	Average peak and off peak travel times between key, or representative, origins and destinations.	Timed runs on selected routes.
	Severity of Congestion	Ratio of peak travel times to a "base" travel time between selected pairs of points.	Timed runs on selected routes.

SOLID WASTE DISPOSAL:

Overall Objective: Promote the health, safety, and aesthetic values of the city by collecting refuse in order to avoid hazards and unpleasant conditions.

Specific Objective	*Quality Characteristic*	*Specific Measure*	*Monitoring Methods*
Pleasing aesthetics	Street and neighborhood cleanliness	Percentage of selected sample of streets' whose appearance is rated acceptably clean.	Systematic visual inspections of a representative sample of city streets using established criteria as guidance for ratings.
General effectiveness and timeliness of of collections	Missed collections	% of Collection routes completed/not completed on schedule.	Sanitation department records
	Spillage of trash and garbage and property damaged during collections.	% of households reporting spillage or property damage by collection crews.	Sanitation department records and citizen complaints.

Types of Monitoring Methods

The practice of using trained observers and/or citizen surveys to rate the effectiveness of government services has been utilized extensively in cities such as New York, Seattle, Phoenix, and Nashville to measure the effectiveness of services such as waste collection, recreation facility/maintenance, and transportation. Specifically, conditions that have been monitored by these methods include street and alley cleanliness, street roughness and pavement conditions, the visibility and physical condition of traffic control signs, and the condition of recreational facilities.

While the use of such methods will often be necessary, measurement developers should thoroughly evaluate the feasibility of using them on a widespread basis. Attempts to use these methods too extensively will likely require a large number of resources and funding. Also, use of these types of measures must be carefully administered to ensure that the data is collected in an objective and timely method that will be useful to the Mayor and city managers.

Uses of Effectiveness Data

The mere act of measuring the effectiveness of an organization, and publicizing the results, can greatly improve performance -- especially if the measures are intelligently developed, the Individuals being judged by those measures have "bought in" to the purpose of their usage, and the importance of measurement results is consistently stressed by the Mayor and the city's department heads. However, in order to reap the greatest performance benefit from effectiveness measurement, long-term objectives should include maximizing the use of performance data by using it as a evaluative tool for functions such as 1) the review of progress and trends of city government 2) resource allocation decisions 3) budget formulation and justification 4) in-depth program evaluation and program analysis 5) the motivation of employees 6) evaluating the performance of private-sector contractors 7) managerial effectiveness.

Ultimately, the measurement of the effectiveness of city governmental functions can provide the city government of Boston with valuable information regarding "how well they are getting the Job done. However, unless efforts are made to analyze and utilize the information, and hold managers accountable for results, the effort will be wasted. Thus, institution of effectiveness measures needs to be accompanied by plans to use the information for specific purposes while keeping In mind that results are not usually quickly realized and the first few years of a measurement program can be discouraging.

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THE ECONOMIC DEVELOPMENT AND HOUSING TASK FORCE
MAYOR'S TRANSITION COMMITTEE
CITY OF BOSTON

Mr. Ira A. Jackson, Chairman
Bank of Boston

Dr. Patricia Arredondo
Empowerment Workhops

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Mr. Paul F. McDonough, Jr.
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Mr. John Riordan
Blue Cross/Blue Shield of Massachusetts

Mr. Kirk Sykes
Primary Group

Ms. Susan Maranhao
City of Boston

Mr. Gerald L. Pucillo, Jr.
Lehrer McGovern Bovis

March 27, 1994

The Honorable Thomas Menino
Mayor
City of Boston
One City Hall Square
Boston, MA 02201

Your Honor,

The Economic Development and Housing Task Force that you appointed in November as part of your Transition Committee has worked diligently to fulfill your expectations. To that end, we have:

- performed a "strategic audit" of relevant city agencies;
- consulted widely with community leaders and technical experts;
- sought out "best practice" in other communities;
- engaged the pro bono services of an internationally respected consulting firm to help us diagnose current issues and recommend alternative approaches;
- proposed both short-term and longer-term recommendations for change; and
- attempted to provide a blueprint or road map for the future that will improve the City's economic and employment prospects and increase the availability and affordability of housing to all residents.

This was a somewhat daunting and exhilarating process. On the one hand, the scope of our review was large and complicated, and the set of institutional and policy challenges that we encountered were vast. On the other hand, we discovered that the opportunities for substantive change, immediate improvement and strategic repositioning far outnumber the obstacles. And throughout our deliberations and inquiries, we encountered a depth of commitment and willingness to engage in change that is encouraging.

In many respects, our near-term recommendations and the changes you have already committed your Administration to pursuing represent the chance to bring about substantial progress almost immediately, and to "fix" what's "wrong" with the development process in Boston. Once implemented, these changes will lead to a dramatically more responsive, accountable and predictable system -- one that will stand in stark contrast to Boston's reputation as a "tough place in which to do business".

Mr. Ira A. Jackson, Chairman
Bank of Boston

Dr. Patricia Arredondo
Empowerment Workhops

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City of Boston

Mr. Gerald L. Pucillo, Jr.
Lehrer McGovern Bovis

Our product is really a "work in progress" and our hope is that this report becomes a "living document". During the five months of our deliberations, changes that we have recommended have already been implemented; others have been discussed and explored within the Administration and will soon be pursued:

- the creation of a strengthened Business Services Center;
- the commitment to devising a streamlined delivery system;
- embracing the idea of a Council of Economic Advisors;
- the centralization of authority and the reorganization of planning, development and housing functions under a new Chief Economic Development Officer; and
- the appointment to that new position of an extremely capable professional.

All of these changes point toward encouraging signs of progress. We applaud you for your openness to new ideas, for embracing change of the magnitude that we find is necessary, and for the depth of your commitment.

We have chosen to suggest additional initiatives that we believe can make an even greater difference over the longer term. Building upon the momentum which we believe has already been established and which full implementation of our recommendations would accelerate, we propose that you lead Boston toward developing a shared vision for its future, through a process we label "Building Boston Team 2000". This process would involve literally all segments and sectors of our community in an ongoing, coordinated planning effort that would tap all of Boston's rich assets and resources in charting Boston's economic, social, cultural and educational future. By bringing the City together, by overcoming our differences, by harnessing our diversity, by bench marking best practice elsewhere on an ongoing basis, and by looking collectively toward the future, we believe that Boston will be better prepared to chart its own destiny, to leverage and coordinate its investments, and to achieve comparative advantage relative to its regional, national and global competitors.

The organizational and institutional changes now underway in City government are a necessary recondition for improving economic performance in Boston. But beyond the changes that a Mayor can affect, other not-for-profit, governmental and community-based institutions must also change and begin to work collaboratively and constructively together. To stimulate that kind of effort and to sustain that kind of cooperation will

Mr. Ira A. Jackson, Chairman
Bank of Boston

Dr. Patricia Arredondo
Empowerment Workhops

Ms. Patricia Canavan
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Mr. David P. Dow
Boston District Council of Carpenters

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Dunn Associates

Mr. Henry G. Kara
Attorney

Mr. William Van Faasen
Blue Cross/Blue Shield of Massachusetts

Ms. Anne P. Zebrowski
Rackemann, Sawyer and Brewster

Mr. Michael Glavin
Bank of Boston

Mr. Paul F. McDonough, Jr.
Goodwin, Procter and Hoar

Mr. John Riordan
Blue Cross/Blue Shield of Massachusetts

Mr. Kirk Sykes
Primary Group

Ms. Susan Maranhao
City of Boston

Mr. Gerald L. Pucillo, Jr.
Lehrer McGovern Bovis

require your leadership and the active involvement of many institutions and individuals beyond those who work for city government.

Your actions have started Boston on the road to its future. We are heartened by the urgency you have attached to making organizational and institutional change. And we hope that it will lead logically to your embracing a spirit of teamwork and cooperation that will shape Boston Team 2000.

On behalf of the Task Force and its enthusiastic members, I want to thank you once again for the privilege of being able to serve the City as a member of your Transition Committee. We have enjoyed one another, and we are hopeful that we have produced a product worthy of attention and action.

Respectfully submitted,

Ira A. Jackson
Chairman
Economic Development and Housing Task Force

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BUILDING BOSTON TEAM 2000

TOWARD A SHARED VISION

Building Boston Team 2000

Toward a Shared Vision

Boston is a beautiful city rich in historic and natural resources, and, as the financial and cultural center of the region, is the envy of many of the nation's and world's cities. Boston is also a city that is proud of its traditions and fiercely protective of its place in history, education and commerce.

Under the leadership of Mayor Menino, we have the opportunity to create a new vision for our future--**Boston Team 2000**. This is a vision which values cooperation and welcomes participants in planning a new Boston; a vision that sees Boston as a city of hope organized around not only a common green but a common theme.

This effort is one that focuses on the short term objectives of making city government more responsive to its citizens, as well as attempts to set higher standards for the Boston community. Short term goals are reflected in the hundreds of recommendations of Mayor Menino's Transition Committee's efforts. In fact, the Mayor has already implemented some of the short term goals identified by the Task Forces which comprise his Transition Committee.

This vision is not one person's vision. It cannot be realized until it is shared and becomes part of our collective experience. It calls for each of us to stand up for our neighbors, workers and friends. It is a vision that calls out to all citizens, corporate and private, to build a sense of community. This is a vision of coming together to make Boston a better place to raise our children, to discover our dreams and to call home.

This vision is about creating a synergy where the sum of our collective parts is greater than the total of our individual contributions. This shared vision will allow us to come together, to determine a course of action and to have efforts underway as part of this shared vision. For example, if everyone who is giving service to our school community met and shared their goals and objectives, we could provide more service for the same amount of resources. It is this type of thinking and coalition building that Boston Team 2000 is all about.

Boston is a city with many physical treasures and cultural resources, from Faneuil Hall to the Boston Pops, from Fenway Park to the Boston Celtics, from the Custom House Tower to Mission Main. The vision we develop acknowledges these treasures, but also calls for more--more commitment from all of us to solve the City's problems and more creativity to better use our physical, social and spiritual strengths so that Boston becomes truly all it can be for its people and those who visit here. Every citizen, every business, every cultural institution, every center of learning must come forth to form the soul of this vision and to play a part, *To Be Boston 's Shared Vision.*

Boston Team 2000 is about building community. Boston needs all of its citizens to care and to work together. We will strive to make this truly the City on a Hill.

This is not false pride or empty symbolism, it is a call to work hard. Boston Team 2000 will require us to commit ourselves not only to meeting our neighbors but caring about their needs. It will require us to work for our neighborhoods, to maintain and expand our businesses, and to commit to supporting our schools and places of worship. It is about welcoming our new immigrants and seeking out those among us who are still not part of the fabric of our lives. It is about seeking new ways of joining together, working together and creating new hope and opportunity.

Boston Team 2000 will need to take root in our board rooms, our living rooms and our classrooms. It will require all of us who live here as well as those who work and play here to be true citizens of Boston. Each of us will give our own particular texture to this vision.

- For our corporate community, it means giving something back to the City, no matter how big or small the business or enterprise.
- For our citizenry, it means creating neighborhoods where people can come together to resolve their differences.
- For our Mayor, it means creating and sustaining jobs, housing opportunities, good schools, and a government that cares.
- For all of us, and for all of the institutions we represent, it means placing a greater premium on cooperation, coordination and our collective interests, than on individual concerns, special interests and independent actions. In short, it means replacing our traditions with a new ethic of teamwork, planning for the future, and working together to harness and leverage our individual and institutional strengths in the long-term interests of Boston.

Mayor Menino has set forth this vision and promises to support the efforts of Boston's citizens as they strive to meet the demands of such an ambitious mission. He has set the stage for all of us to do our part.

It is in this spirit that the Mayor's Economic Development and Housing Task Force has proceeded with its work and it is with this shared vision in mind that we present our recommendations to the Mayor. This report focuses on the areas of economic development and housing, looks at what is existing and where we can go from here, as participants in the new vision for Boston. This report looks at ways we can improve the delivery of services to our citizens and ways to tell the story of what this great city has to offer. Boston is changing; providing new opportunity for all who wish to share in creating a **BOSTON TEAM 2000**.

EXECUTIVE SUMMARY

Executive Summary

The Mayor's Economic Development and Housing Task Force has spent many hours listening to neighborhood and community leaders, agency heads, employees, outside consultants, and others who have offered advice on the direction the City of Boston might take regarding its housing and economic development agenda.

This report documents in detail what we have heard, what we have observed and what other United States cities are doing that might be helpful to Boston's deliberations.

The Report

The report focuses on the existing conditions at all of the agencies that were surveyed and makes recommendations that will improve the short term efforts of the City at streamlining its delivery process. The report also identifies other program recommendations which are illustrative and serve as a menu for possible actions by the Chief Economic Development Officer.

This report is also, in a sense, a living document that even before its publication has moved the Mayor to action on some of its recommendations. The opportunities for action in this report are extensive and serve as a roadmap for short and long term implementation strategies.

These recommendations came as a result of fact finding and auditing functions of the Task Force as well as out of the interviewing process performed by Lehrer McGovern Bovis, the program management consultants to this effort.

The Task

The task set forth is complex since it entails understanding how existing agencies function, where gaps in service occur, what improvements can be made immediately and what new directions the City must take to be competitive. The Task Force approached this charge with a great deal of enthusiasm and with the intent to explore all avenues open to search out new directions for Boston. Mayor Menino's charge is explicit, ***"the climate will change...the process of working with the City will be predictable...the licensing agencies and review boards will not be the enemies of enterprise, but the sponsors of it. "*** This statement can and will mean that every agency, every process and every person entrusted with delivering on this commitment will need to be evaluated with the review standard being: **IS BOSTON A CITY YOU WISH TO LIVE AND DO BUSINESS IN?**

Without a doubt, Boston is a great city with a well educated, available and talented workforce. It is a leader in housing delivery and has facilitated the development of some of the nation's most impressive urban projects. Boston also has a talented group of employees in the economic and housing development arena that compete effectively in the national marketplace.

This report to the Mayor is intended to provide a framework of support for those staff members who have served the city so well. It is also intended to address the sometimes arcane and often frustrating roadblocks that have been hindrances to providing quality service to business and neighborhood interests in the City.

The Methodology

The information gathering methodology for this report was fourfold:

1.) Listening to agency directors and their staff;
2.) Looking at other cities' practices;
3.) Reviewing agency questionnaires; and
4.) Interviewing community leaders.

The information gathering phase was followed by an analysis phase which identified real gaps in the city's delivery system which needed to be addressed. The process identified the following global indicators of the need for a complete realignment of agency purpose and function as well as employee morale and team building.

The Findings

1) The City of Boston has several agencies engaged in economic development and housing activities whose original charters and missions are no longer relevant to the realities of development in the 1990's---and which are in need of reorganizing and streamlining.

2) While the Walsh Report laid out a process for streamlining the City's economic development agencies and processes, it has not been fully implemented or expanded upon to the degree necessary for Boston to be competitive in an era of slow economic growth.

3) There are outdated and unworkable pieces of enabling legislation that continue to be layered with interim rules, creating confusion and potential legal and political liabilities.

4) There are considerable indications of infighting and turf battles. Employee morale is at a low point.

5) Economic development agencies that may have been appropriate to address a strong growing economy are not suited to the current slower growth economy. Agencies with overlapping jurisdictions can lead to duplication and a lack of clear accountability, which can, in turn, slow the development process.

6) There are currently too many points of access into permitting and review process.

7) Among the various development agencies, there is currently no universal tracking system or project milestone reporting system that provides a clearly articulated prioritization of development projects and timeframes. In addition, development agencies' MIS systems are not compatible, making cross-agency approvals difficult.

8) While there is considerable neighborhood participation in development review, there is no uniform written policy regarding neighborhood participation in the review process.

9) While there is considerable emphasis on affordable housing over the years, there is currently no clearly articulated, citywide housing policy that takes into account changed market forces and funding sources and that lays out the City's vision for the future.

10) Capital planning has become more of an exercise than a tool for supporting and directing development.

11) Among the development agencies, there is no centralized financial accounting for project financing that includes infrastructure improvements and other capital budget allocations.

12) A more aggressive marketing strategy, which involves the business community, is needed for Boston to be competitive in an era of slow growth.

13) Employee job descriptions are outdated and do not include the kind of performance measures that are beginning to be introduced into the public sector work environments. More emphasis needs to be placed on entrepreneurial thinking and decision-making, which will require additional motivational and leadership training.

14) In light of a rapidly changing and increasingly competitive economic environment, there needs to be a clearly articulated, well-coordinated and comprehensive economic development strategy that can take Boston into the 21st Century.

15) In order to change the long-standing perception outside of Boston that it is a complicated, expensive and political place to do business, Boston needs a reliable, predictable, accountable and well-marketed delivery system.

The Task Force has deliberated over priorities and recommendations. It has sought to identify those elements of an overall strategy that will allow Boston to compete in an increasingly complex marketplace. Boston can no longer take for granted that developers and businesses will be willing to locate in Boston. With this said, the task ahead for the Mayor is to provide the vision and the stamina to see that vision through. The Mayor has articulated an approach to managing the city government which is all inclusive and has stated, ***"I intend to restructure government so that its focus is where it belongs--on the services we provide and the functions we serve."***

The housing and economic development delivery system has suffered from the involvement of too many agencies, too many access points and a lack of effective interagency communication, cooperation, and customer focus. The truth is that in Boston there has been far too much ambiguity and far too little accountability to provide a clear or reasonable approach to effective and timely project review.

Recommendations

Recommendation No. 1 (Done)

Name a Chief Economic Development Officer

This new position in City government will provide coordinated delivery of services to any housing or economic development project in Boston. In terms of authority and scope, this position is without precedent, but is now needed to achieve required integration, coordination, and improved performance. It will also encourage needed accountability. All existing agencies will be under the direct supervision of the Chief Economic Development Officer. This will give Mayor Menino the opportunity to meet many short term objectives in all agencies while developing long term strategic goals to improve the delivery of economic development services. Boston's new Chief Economic Development Officer will need to move quickly and decisively to establish a responsive customer driven agency.

Recommendation No. 2

Create a Management Plan

Employees of the City of Boston need to know that they matter. They are the future. They need to be affirmed by their supervisors and the public. A new attitude toward the function of City government will be fostered and developed among the employees.

Recommendation No. 3

Create a Streamlined Delivery System

The existing delivery system is full of approval layers that are not necessary to the effective delivery of service. These layers can be removed with new project management systems. This will include team approaches to project delivery and early intervention of permitting and compliance functions.

Recommendation No. 4

Develop a City Employee Team Building Program

Tap the private sector resources currently available to the City through the Boston Management Consortium, private consulting firms and corporate training programs to develop performance measures and motivational and leadership training opportunities for employees within the restructured economic development agencies.

Recommendation No. 5

Create a Council of Economic Advisors

Boston needs its corporate citizens to become partners in the process of renewal. A Council of Economic Advisors should be established to advise the Mayor on economic affairs, trends, and technological advances in the marketplace, bench marking best practice, developing competitive advantage, strategic planning and marketing.

Recommendation No. 6

Develop a Neighborhood Consultation Plan

Boston is a city of neighborhoods with a history and an historic context. The neighborhoods need to help determine the future role development projects and institutions will play in their communities. A neighborhood input protocol must be developed that is fair and inclusive.

Recommendation No. 7

Create A Plan For Boston

Boston must take immediate steps to complete the rezoning of the city so that a comprehensive masterplanning process can be initiated. This masterplanning process must take into account the important role that Boston plays in the economic life of the entire region. Therefore, the masterplan must have a regional, as well as local, context.

Recommendation No. 8

Develop a Housing Policy For Boston

In response to changes in, and reductions to, federal and state housing finance programs, the City's housing initiatives (both BHA and non-BHA) need to be coordinated and consolidated under the new economic development agency to maximize efficiency and effectiveness. A new housing policy that reflects this new, consolidated structure must be developed and clearly articulated.

Recommendation No. 9 (Done)

Create A Business Services Center

Mayor Menino created a Business Retention Center, within the Mayor's office, for Boston-based businesses in need of information or technical assistance as well as for business outside of Boston that are interested in relocating or expanding here. In order to better illustrate the business services provided through this office, it should be renamed the Business Services Center. Additionally, in order to take advantage of the information and resources available through the office of the new Chief Economic Development Officer, the new Business Services Center should be part of the new Office of Economic Development.

Recommendation No. 10

Create A New Job Training Program

Boston has always been a city of opportunity and a place where willingness to work was rewarded by getting a job and the required training to learn that skill. Boston's success in job training and employment opportunity building is critical to any plan for economic growth. We cannot advance without workers trained to the highest possible standards.

In order to insure that the City's job training programs are training workers for real jobs in the local economy, these programs should be brought into closer alignment with employers. Therefore, the City should explore the feasibility of outsourcing training initiatives that are currently administered by the EDIC to the Boston Private Industry Council.

Recommendation No. 11

Develop and Implement a Marketing Plan For Boston

Boston needs to strengthen its' marketing strategy in order to be competitive in a world marketplace. This marketing plan should be developed in conjunction with Boston business leaders, who should also be enlisted as "Ambassadors for Boston" to help implement the marketing plan.

Recommendation No. 12

Develop a Citywide Campaign to Develop Boston Team 2000

We need our top 2000 business and community leaders to join forces and provide resources and staff to develop Boston Team 2000•Toward a Shared Vision. Without a clear community building strategy and deep corporate commitment, we will continue to lose employment and other opportunities to cities outside of Boston. With the help of the business community and the development of a plan to get as many citizens involved in Boston Team 2000, Boston will emerge as a very strong contender for economic growth and development.

Boston has all of the elements, as well as the infrastructure and natural resource base, necessary for an effective economic strategy. It is now time to bring these resources together, both internally at City Hall and externally in the community.

INFORMATION GATHERING

PROCESS

Information Gathering Process

The Economic Development and Housing Task Force, at the request of the Mayor, was given a very broad mandate; to take a bird's eye view of the current working delivery system and to recommend changes that would enhance this system's ability to deliver a quality product in a shorter time frame.

The Task Force also had as a basis for its deliberations the Walsh Report, the White Report and the Mayor's Inaugural Address and Speech to the Boston Chamber of Commerce. These reports and speeches gave the Task Force the opportunity to build on an established set of mandates. They also allowed for further exploration of the changes necessary to fully capitalize on Boston's unique opportunity to redefine its posture toward housing and economic development and growth.

The Task Force is especially appreciative to the authors of these documents for their immense investment of time and for providing such a rich reservoir of information for review, comment and augmentation.

The Economic Development and Housing Task Force set out to:

1.) Understand how to best bring the City agencies into the shared vision. This required a strategic audit of the following City agencies:

the Boston Redevelopment Authority;
the Public Facilities Department;
the Boston Housing Authority;
the Inspectional Services Department;
the Environment Department;
the Economic Development and Industrial Corporation;
the Rent Equity Board;
the Fair Housing Commission; and
the Real Property Department (Property Division).

2.) Identify those parties who have an interest in the outcomes of the work of the Task Force.

3.) Develop a value index that would become the standard against which to measure the outcomes and results of the consultation process.

4.) Interview participants in the process to gain insight into the question, "How may the City decrease the time necessary to serve its citizens and customers with their requests of undertaking and completing both small and large development projects in Boston?"

5.) Interview staff as to the management and organizational structures within their agency, as well as to the processes and functions that create blocks to the delivery of service and which affect the time it takes to complete the development process.

6.) Develop a management plan and philosophy which would allow the City of Boston to have a competitive edge in the global marketplace.

7.) Identify interim team building measures that will enhance the City's ability to carry out the policy recommendations and organizational restructuring that will accompany this plan.

8.) Produce a series of recommendations that will help the Menino Administration be more responsive to a new economic agenda.

The first stage of this effort entailed countless hours of meetings for the Task Force and many more hours for staff support and review of all of the documentation that was presented. The second stage of the effort entailed a series of interviews, approximately 35, performed by an organizational behavior consultant and the synthesis of all the data collected. The third stage was to gather and analyze "best practice" information from other United States cities to provide a list of contact names as a resource for the new Chief Economic Development Officer of the City of Boston.

The Task Force also surveyed other cities' marketing efforts as a way of beginning to outline the role that a marketing effort might play in the City's economic development future. The information gathered has been incorporated as part of this report and, where appropriate, been included in the Appendices.

There are many recommendations, both in the area of transitional opportunities in existing departments, as well as overall policy areas, that flow from this effort. These recommendations will serve to help the new Chief Economic Development Officer identify priority action items for the Menino Administration.

RECOMMENDATIONS

Chief Economic Development Officer

The future health of the City of Boston in the 1990s and beyond depends heavily on its economic development. During the boom years of the mid-1980s, Boston was the focus of much of the development happening in Massachusetts and in New England. This push for development by project proponents, with projects competing with one another for the ability to do business in Boston, caused the creation of a development process which heavily controlled the movement of projects through the development approval pipeline. The City had the luxury of being able to pick and choose which projects to move forward and which to not approve. In addition, a majority of this development was done in Boston's downtown core; the neighborhoods perceived that they were not getting the same attention to economic development. This strategy will *not* work for Boston today.

If Boston is to become a magnet for business development, it must rethink its economic development strategy. The focus of this strategy needs to be directed not only to the downtown, but also to the neighborhoods, where local businesses are a source of community strength and vitality. Equally important to the City's economic development is housing, as those who live in Boston's diverse communities support Boston businesses by being owners, employees and patrons. For Boston to achieve a secure economic future, the City needs to: work with businesses to help them locate, expand and stay in Boston; train residents for jobs that these businesses provide; and ensure that these residents have an opportunity to become homeowners and invested in their community's future.

Beyond the challenge of balancing concerns of downtown with those of the neighborhoods, however, Boston must also be focused on the challenge and competition of other cities, regions and nations. In an increasingly competitive global economy, Boston has unique competitive advantages, but the assets are currently undervalued, frequently ignored, ineffectively harnessed, and poorly marketed.

It is the mission of the Chief Economic Development Officer to successfully develop and implement an economic development strategy which will address these needs and lead Boston into the twenty-first century. In so doing, the Chief Economic Development Officer must take a leadership role in developing a vision for Boston which supports the City's strategy. This vision will be the blueprint for establishing policies which promote the City's efforts. In implementing these policies, the Chief Economic Development Officer will have to restructure planning, development, housing, marketing and related financial functions to operate more efficiently, effectively and with accountability to the citizens, both corporate and private, of Boston. In terms of authority and scope, this position is without precedent, but is now needed to achieve required integration, coordination, and improved performance. It will also encourage needed accountability. During this time of transition and change, the Chief Economic Development Officer should seek to involve and engage the full participation of key people, including staff, clients and residents, in restructuring and engineering the process to make it work. Successful completion of these efforts will provide Boston with a solid base on which to grow its economy.

Position Description:
Chief Economic Development Officer

The Chief Economic Development Officer is responsible for the development and implementation of a successful strategy that enhances the economic viability of the City, improves the climate for private investment in business and housing development, promotes and markets the City's competitive advantage, expands employment, and increases the livability of the community.

Goals

The major goals of the Chief Economic Development Officer are the following: 1) to strengthen the economic base of the City; 2) to attract new investment; 3) to retain and expand the number of jobs, particularly for residents of Boston; 4) to revitalize Boston's neighborhoods, including the downtown development districts; 5) to preserve the City's existing housing stock, increase homeownership opportunities, and strategically employ affordable housing resources; and 6) to better coordinate public resources and development processes.

In achieving these goals, the Chief Economic Development Officer must engage the full investment and intellectual capacity of the community. This will involve the private and public sector, the educational and cultural communities, and the universities and hospitals in the mutual pursuit of a set of development objectives that embody the best hope for the successful development of Boston and a better community for the residents of the City.

A major opportunity exists at this watershed moment to develop a *shared vision* for Boston's economic future--an opportunity to excite and energize citizens through the process of developing such a shared vision and to constructively engage leaders from every sector of our City and its economy in mobilizing resources to implement this shared vision.

Responsibilities

The Chief Economic Development Officer is responsible for: 1) being the architect of a shared vision for Boston's future; 2) managing the development and implementation of both short- and long-term strategies to ensure prosperity and economic growth throughout the City; 3) coordinating the development and implementation of initiatives to promote the attributes of the City to potential businesses and investors to attract them to Boston and to retain existing businesses; 4) overseeing the management of public housing to provide safety and security for residents; 5) monitoring the development and implementation of initiatives to increase homeownership opportunities and to enhance the residential life and integrity of communities; 6) identifying, developing and implementing financing options and initiatives to promote economic and community development; 7) chairs the Economic Development Cabinet; and 8) chairs the Council of Economic Advisors.

Additionally, the Chief Economic Development Officer implements changes to restructure and streamline the functioning of the City's economic development agencies to ensure responsiveness, accountability and predictability to those utilizing the services these agencies offer. The main areas of the restructuring and streamlining effort are planning, development, housing, finance and marketing.

To successfully perform these responsibilities, the Chief Economic Development Officer must implement a series of innovative economic and housing initiatives that require the integration of the work of different City Departments. This requires critical, evaluative and strategic thinking to establish operating precedents for Departments within the parameters outlined by the Mayor and applicable City statutes. Control over the implementation of these initiatives is exercised through review and approval or veto of Departmental decisions and operations. In doing so, this will ensure that the departments are in keeping with the policies, goals and objectives outlined by the Chief Economic Development Officer.

Organizational Structure

Reporting to the Mayor through the Chief Operating Officer, the Chief Economic Development Officer manages the operation of the Boston Redevelopment Authority and the Economic Development and Industrial Corporation and oversees the management of the Public Facilities Department, the Boston Housing Authority, the Inspectional Services Department, the Business Retention Center, the Environment Department, the Rent Equity Board, and the Fair Housing Commission.

The following positions report to and are directed by the Chief Economic Development Officer: the Director of the Public Facilities Department; the Administrator of the Boston Housing Authority; the Executive Director of the Inspectional Service Department; the Director of the Business Retention Center; the Director of the Environment Department; the Administrator of the Rent Equity Board; and the Executive Director of the Fair Housing Commission.

The Chief Economic Development Officer chairs the City's Economic Development Cabinet that is comprised of the agency heads which report to said position. The City's Economic Development Cabinet works to ensure that the City's economic development strategies and activities are implemented in a consistent and coordinated manner. In addition, the Chief Economic Development Officer chairs the Council of Economic Advisors, an advisory group to the Mayor composed of representatives from business, labor and community organizations.

Authority

The Chief Economic Development Officer is invested with the following authority to accomplish the goals and perform the responsibilities outlined herein. The Chief Economic Development Officer may hire and fire staff as necessary, within the guidelines of applicable collective bargaining agreements and civil service statutes. The Chief Economic Development Officer may also assign, reassign and utilize resources, including finances, material and staff, as is deemed necessary to achieve results.

Dimensions

The position of Chief Economic Development Officer oversees directly and through chairing the Economic Development Cabinet the expenditure of approximately $289.0 million in funding and the performance of an estimated 1,768 employees. In addition, through the Economic Development Cabinet, the Chief Economic Development Officer is responsible for development projects currently in the pipeline between now and 1999 with an estimated value of $3.7 billion.

Diversity

The Chief Economic Development Officer must have expertise in dealing with diversity. The value of multi-culturalism must be a priority, both in dealing with the staff of the City's economic development agencies as well as with the residents of Boston's communities. The Chief Economic Development Officer is responsible for ensuring that diversity is represented within the structure of the agencies which comprise the Economic Development Cabinet.

The Chief Economic Development Officer will maintain a focus and commitment to:

- JOB RETENTION AND ECONOMIC GROWTH;
- DEVELOPMENT OF HOMEOWNERSHIP OPPORTUNITIES;
- ASSISTING BUSINESSES;
- IMPROVING THE DEVELOPMENT REVIEW AND APPROVAL PROCESS;
- ENHANCING BOSTON'S BUSINESS CLIMATE; AND
- CREATING A MANAGEMENT PLAN THAT RECOGNIZES EMPLOYEES, PROVIDES TEAM BUILDING OPPORTUNITIES, ADDS DIVERSITY AND SEEKS TO RECRUIT, TRAIN AND RETAIN TALENTED PERSONS WORKING IN CITY GOVERNMENT.

Create New Management Plan for Office of Economic Development

In order to successfully integrate the economic development and housing organizations under the direction of the new Chief Economic Development Officer, a management plan will have to be developed that will transform the different "corporate cultures" and management styles into one cohesive management structure. This new structure will be one that promotes teamwork within agencies and across agency lines.

In order to move the economic development agenda forward it will be necessary to identify a management concept that will become the guiding force for decision making. This concept will be based on the Mayor's stated goals of providing service and streamlined processes for the delivery of that service. The movement toward a new management concept will involve understanding the existing management styles and then implementing a team building process that will get all of the organizations working in concert. The agencies reviewed have very distinct management cultures and styles, and to a great degree these cultures are responsible for some of the gatekeeping and processing breakdowns that have occurred.

Some of the agencies are working with a top-down management approach which relies on procedures and rules that have become part of the culture. Others are more bottom-up agencies that look to internal team building and an attempt at job motivation. The recent budget cuts and downsizing have caused many of these agencies to seek out innovative ways of making up for the gaps created by losing staff. This process, although the result may be desirable, reaches the team building approach from a defensive posture and not from a pro-active one that looks to an organizational structure which better serves the public.

The implementation of this management plan will require changes in the existing culture of all the agencies surveyed. Change happens slowly, but by incorporating employees into the Boston Team 2000 • Toward A Shared Vision, this will help to facilitate the process.

Concept Defined by:

- External Customer Demand
- Clear Development Process
- Citizens, Elected Officials, Employers
- Horizontal Negotiations
- Collection of Bargaining Coalitions

Employee Satisfaction Achieved by:

- Meeting Customers' Needs
- Focus on Quality, Service & Timeliness
- Innovation and Entreprenuerial Spirit
- Horizontal Management

Performance Standards Measured by:

- Customer Satisfaction Index
- Competitive Benchmarking

Collaboration and Conflict Management is Achieved Through:

- Negotiation of Conflicting and Shared Interests
- Facilitating Structural Changes
- Horizontal Negotiation between Equal Departments
- Decisions By Consensus

Create a Streamlined Delivery System

The City of Boston's economic development and housing agencies all have separate identities, separate MIS systems, separate administrative functions and separate legal departments where applicable. The agencies themselves are also mixed in what functions they perform, with some actually duplicating the functions of other agencies. The following chart indicates which agency is performing which function. An example of the difficulty here is that even if a customer were interested in housing, there would be great confusion, since that function is performed by many of the agencies.

It is the recommendation of the Economic Development and Housing Task Force that the agencies all exist under the Office of Economic Development and that the areas of housing, business development and asset management be managed in separate departments. This will bring all of these functions together and allow for greater sharing of ideas and resources among staff and better utilization of resources that have become increasingly scarce.

It is also recommended that some of the functions presently performed by the City be contracted to outside vendors. These should be the ones that are specific to only one agency and which are specialized operations. The new Chief Economic Development Officer will need to explore this recommendation further to determine the most effective outsourcing available to the City.

The Existing Structure

There are many services now being performed by the City of Boston for the purpose of advancing a housing and development agenda. The agencies responsible for these functions grew over time. The time has come to look objectively at these influences and to re-align the agencies on a functional basis to restore some integrity to the delivery system.

The chart that follows identifies some 119 points in the system where performance issues could develop. Each point is a function specific to each agency, i.e. personnel is a function that is in all agencies. These control points can be reduced to 37 internal and 6 external or outsourced points based on the following inventory of existing functions.

The Proposed Structure

The proposed organizational structure is outlined and charted for purposes of identifying new functions. This is a structure which will require a clear mandate from the Mayor, strong leadership from the Chief Economic Development Officer, sustained interaction from the Council of Economic Advisors and strong housing, development and asset management teams to effectively manage the delivery system.

PRESENT SYSTEM

Existing Functions	Agencies Fair Housing	BRA	PFD	Rent Equity	Real Property	ISD	EDIC	Environmental	BHA
Personnel	●	●	●	●	●	●	●	●	●
MIS	●	●	●	●	●	●	●	●	●
Legal	●	●	●	●		●	●		●
Building Inspection	●			●	●	●	●	●	●
Budget	●	●	●	●	●	●	●	●	●
Plans Examination						●	●	●	●
Health Inspections						●			
Weights and Measures						●			
Housing Inspection	●		●	●		●		●	●
Rodent Control						●			
Building Maintenance		●	●		●		●		●
Vacant Lot Maintenance					●				
Capital Planning			●						
Municipal Police							●		
Disposition Support					●				
Contracts			●				●		●
Parking					●				
Grants Management		●	●				●		●
Construction			●		●				●
Federal and State Reporting		●	●				●	●	●
Property Management		●	●		●		●		●
Staff Training			●				●		●
Homeowner Revitilization			●						
Community Outreach		●	●					●	●
Affirmative Marketing	●	●							●
Commercial Development		●	●				●		●
Housing Counseling	●		●						
Homebuyer / Tenant Services			●	●					
Rent Equity Hearings				●					
Finance		●	●						
Neighborhood Preservation		●						●	
Security		●	●						●
Research and Marketing		●					●		
Program Development		●	●				●		
Job Training							●		
Resource Development		●	●						●

119 DIFFENT FUNCTIONS
9 AGENCIES, DEPARTMENTS

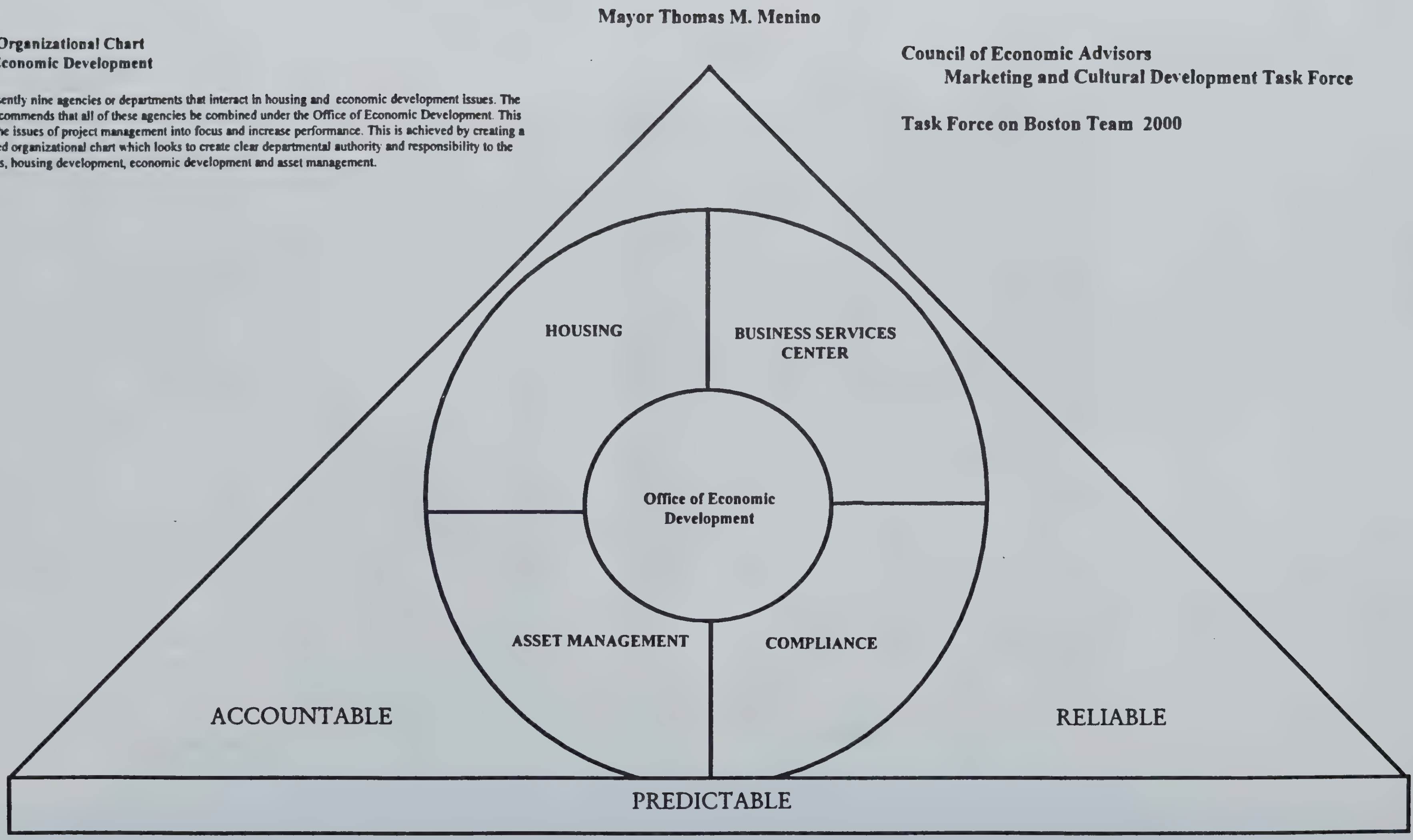
PROPOSED SYSTEM

Existing Functions	Agency OED Staff	Compliance	Housing	Business	Asset Management	Contract out
Personnel	●					
MIS	●					
Legal	●					
Building Inspection		●				
Budget	●					
Plans Examination		●				
Health Inspections		●				
Weights and Measures		●				
Housing Inspection		●				
Rodent Control						●
Building Maintenance					●	
Vacant Lot Maintenance					●	
Capital Planning	●					
Municipal Police						●
Disposition Support					●	
Contracts					●	
Parking						●
Grants Management			●			
Construction						
Federal and State Reporting	●					
Property Management			●		●	
Staff Training	●					
Homeowner Revitilization			●			
Community Outreach			●			
Affirmative Marketing			●			
Commercial Development				●		
Housing Counseling			●			
Homebuyer / Tenant Services			●			
Rent Equity Hearings						●
Finance	●					
Neighborhood Preservation		●	●	●		
Security						●
Research and Marketing	●					
Program Development	●					
Job Training						●
Resource Development	●					
NEW FUNCTIONS						
Marketing	●					
Business Retention				●		
Project Advocacy	●					
Organizational Consultant					●	
Employee training	●					

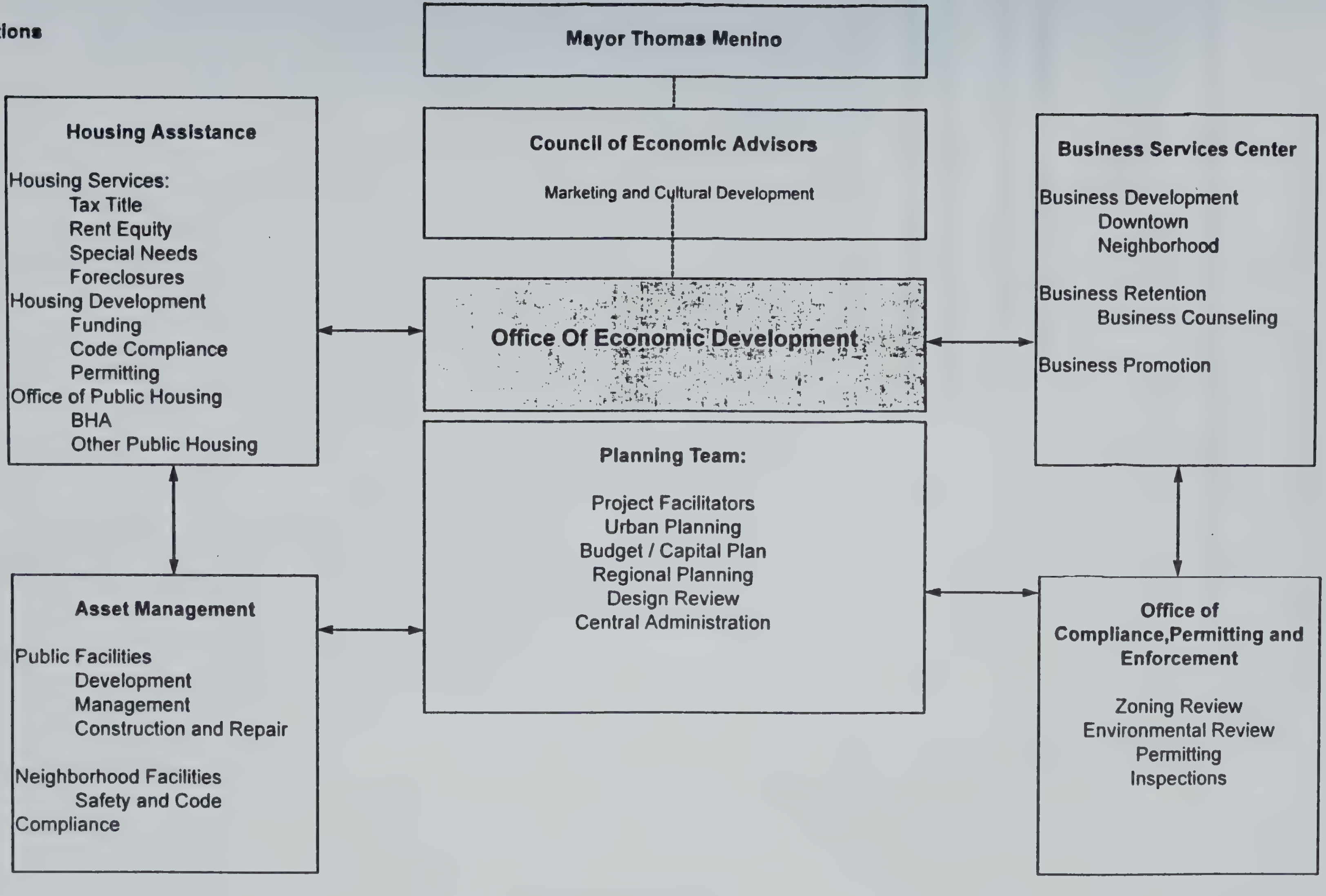
37 DIFFERENT FUNCTIONS
7 CONTRACTED OUT
1 AGENCY

Proposed Organizational Chart
Office of Economic Development

There are presently nine agencies or departments that interact in housing and economic development issues. The Task Force recommends that all of these agencies be combined under the Office of Economic Development. This would bring the issues of project management into focus and increase performance. This is achieved by creating a functions based organizational chart which looks to create clear departmental authority and responsibility to the main functions, housing development, economic development and asset management.


Mayor Thomas M. Menino
Council of Economic Advisors
Marketing and Cultural Development Task Force
Task Force on Boston Team 2000
HOUSING
BUSINESS SERVICES CENTER
Office of Economic Development
ASSET MANAGEMENT
COMPLIANCE
ACCOUNTABLE
RELIABLE
PREDICTABLE

New Functions


Mayor Thomas Menino
Council of Economic Advisors
Marketing and Cultural Development
Office Of Economic Development
Planning Team:
Project Facilitators
Urban Planning
Budget / Capital Plan
Regional Planning
Design Review
Central Administration
Housing Assistance
Housing Services:
Tax Title
Rent Equity
Special Needs
Foreclosures
Housing Development
Funding
Code Compliance
Permitting
Office of Public Housing
BHA
Other Public Housing
Asset Management
Public Facilities
Development
Management
Construction and Repair
Neighborhood Facilities
Safety and Code
Compliance
Business Services Center
Business Development
Downtown
Neighborhood
Business Retention
Business Counseling
Business Promotion
Office of
Compliance,Permitting and
Enforcement
Zoning Review
Environmental Review
Permitting
Inspections

Examples of a Streamlined Delivery Approach

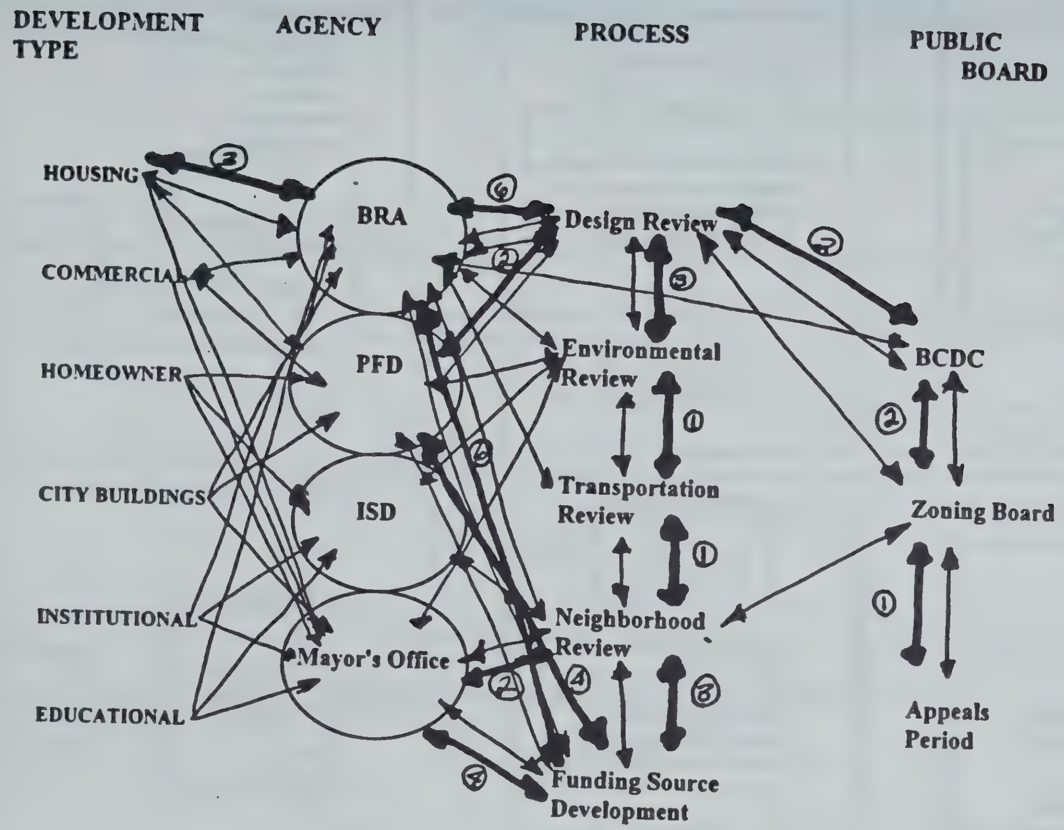
1) Overview of Proposed Development Review Process:

- Simple Project 22
- Complex Project 23

2) Contract Management Process (Boston Housing Authority) 24

3) Request for Payment to Contractor (Public Facilities Department) 25

4) Search for Funding Sources 26


DEVELOPMENT TYPE
AGENCY
PROCESS
PUBLIC BOARD
HOUSING
COMMERCIAL
HOMEOWNER
CITY BUILDINGS
INSTITUTIONAL
EDUCATIONAL
BRA
PFD
ISD
Mayor's Office
Design Review
Environmental Review
Transportation Review
Neighborhood Review
Funding Source Development
BCDC
Zoning Board
Appeals Period
③
⑥
②
⑦
⑤
①
①
②
②
④
⑧
④
②
①

-Each Line (↔) represents a process which can be generated on both sides or is one that is iterative and moves back and forth depending upon reviews and changes

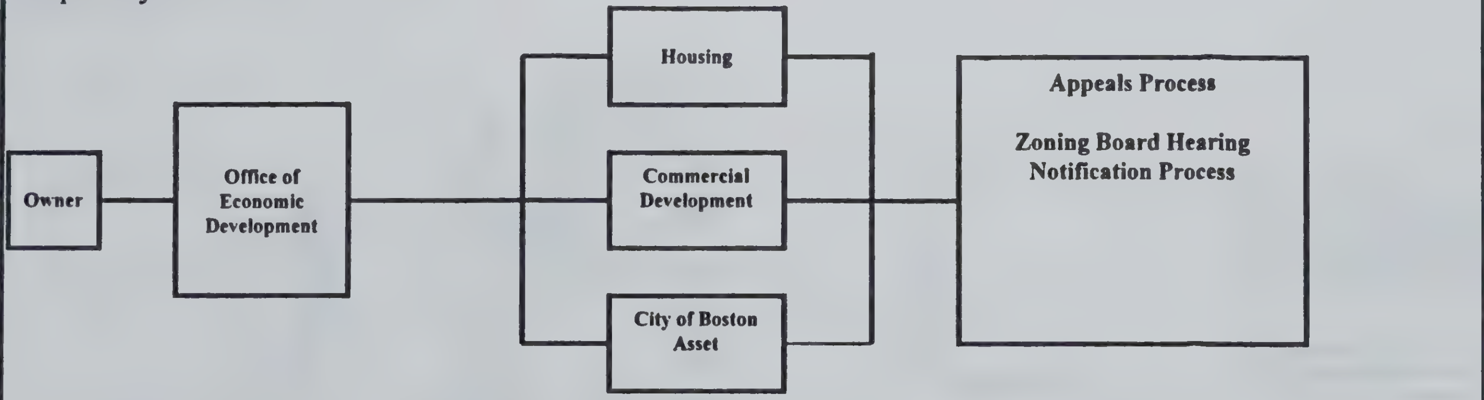
- Each Line (→) represents an originating point and usually is a simple process

- Each Line represents anywhere from one week to many months depending on the type of project and the reviews that are necesary.

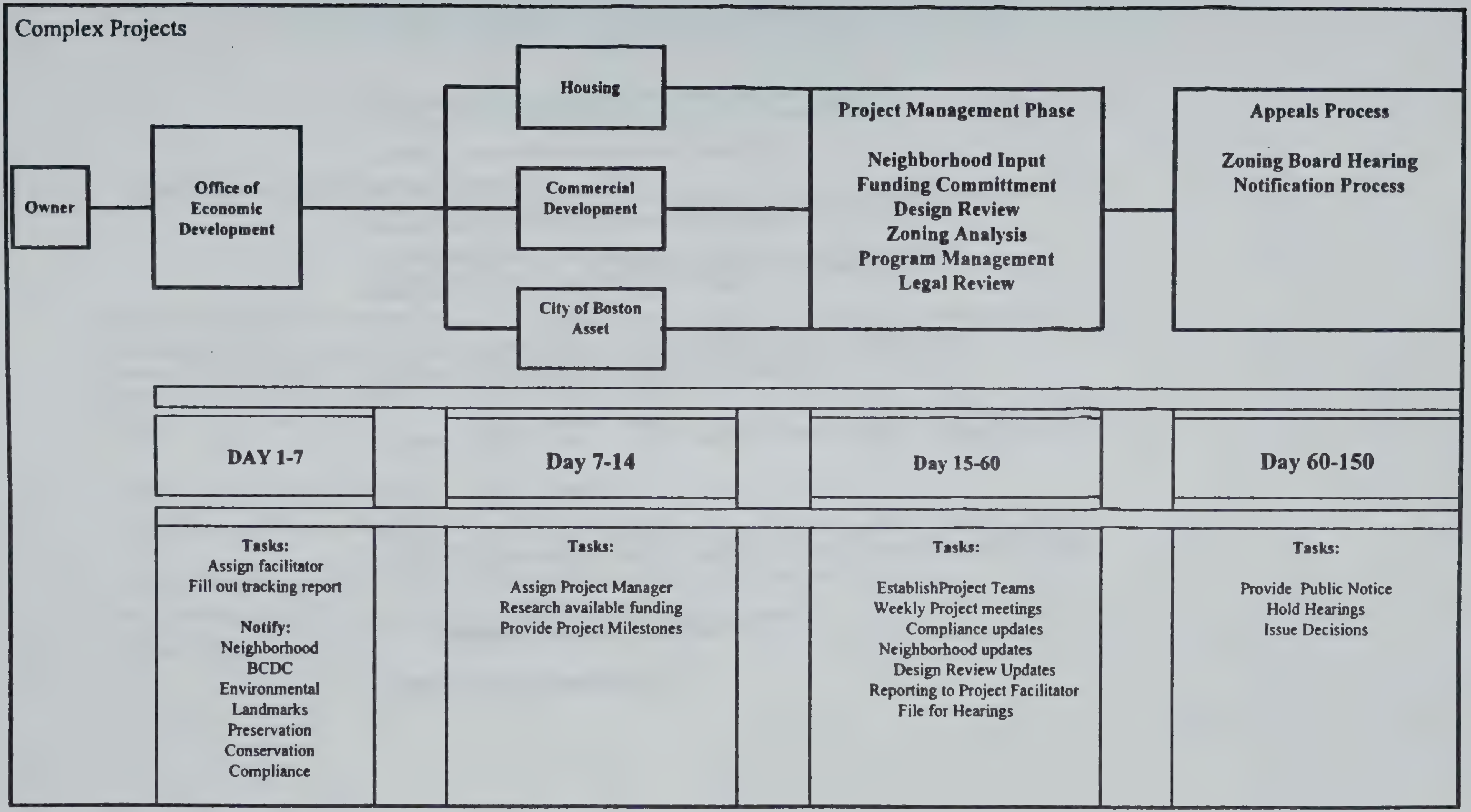
-The thick line (⬌) represents one Housing deal which needed funding, land design review from the BRA, Funding and design and finance reviews from PFD etc. The months of processing time are also indicated. TOTAL: 40 months

Project Review and Approval Process
CITY OF BOSTON

Simple Projects


Owner
Office of Economic Development
Housing
Commercial Development
City of Boston Asset
Appeals Process
Zoning Board Hearing
Notification Process

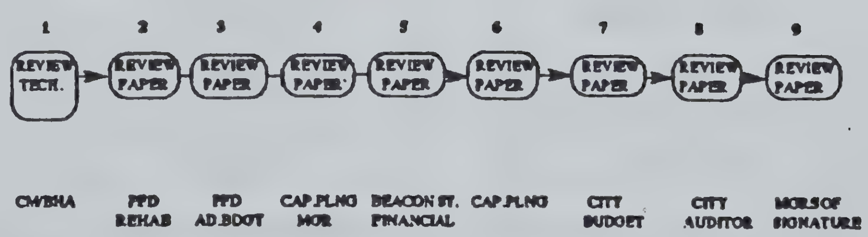
DAY 1-7	Day 7-14	Day 15-45
Tasks: Assign facilitator Fill out tracking report Notify: Neighborhood Environmental Landmarks Preservation Conservation Compliance	**Tasks:** Assign Project Manager Get responses from affected parties Set up priority Hearing Date Meet with any concerned abutters etc.	**Tasks:** Final changes to plan Hold Hearing Issue Decision


Complex Projects
Owner
Office of Economic Development
Housing
Commercial Development
City of Boston Asset
Project Management Phase
Neighborhood Input
Funding Committment
Design Review
Zoning Analysis
Program Management
Legal Review
Appeals Process
Zoning Board Hearing
Notification Process

DAY 1-7	Day 7-14	Day 15-60	Day 60-150
Tasks: Assign facilitator Fill out tracking report **Notify:** Neighborhood BCDC Environmental Landmarks Preservation Conservation Compliance	**Tasks:** Assign Project Manager Research available funding Provide Project Milestones	**Tasks:** EstablishProject Teams Weekly Project meetings Compliance updates Neighborhood updates Design Review Updates Reporting to Project Facilitator File for Hearings	**Tasks:** Provide Public Notice Hold Hearings Issue Decisions

BHA CONTRACT MANAGEMENT

OVERSEEING CONTRACTOR PERFORMANCE


1
2
3
4
5
6
7
8
9
REVIEW TECH.
REVIEW PAPER
REVIEW PAPER
REVIEW PAPER
REVIEW PAPER
REVIEW PAPER
REVIEW PAPER
REVIEW PAPER
REVIEW PAPER
CM/BHA
PFD REHAB
PFD AD.BDOT
CAP.PLNG MOR
BEACON ST. FINANCIAL
CAP.PLNG
CITY BUDGET
CITY AUDITOR
MORS OF SIGNATURE

RECOMMENDATION: TO REDUCE TIME BY ONE TO 6 WEEKS [AVERAGE]

- REMOVE ALL 'REVIEW' EXCEPT FOR #S 1 AND 8 OR
- CHANGE 'REVIEW' TO 'MUST BE NOTIFIED' FOR ALL BUT #s 1 AND 8 OR
- ENSURE 'REVIEW' PEOPLE REVIEW TOGETHER RATHER THAN TO REVIEW SERIALLY.

RULE OF THUMB: EACH APPROVAL COSTS ONE WEEK DELAY
THE PRIMARY FUNCTION OF THIS PROCESS - "ENSURE QUALITY [SCHEDULE, COST]."
THE BASIC RESPONSIBILITY FOR REVIEW OF QUALITY AND SCHEDULE IS TO THE CM.

THE 'REVIEW PAPER' FUNCTIONS [ABOVE] APPEAR TO BE SECONDARY FUNCTIONS.
ONE RULE OF THUMB TO IMPROVE QUALITY [TIME; COST] - COMBINE SECONDARY FUNCTIONS AND/OR OMIT THEM.

THE ABOVE SERIES HAS EIGHT 'REVIEW PAPER' FUNCTIONS.

A QUESTION TO TEST THE VALUE OF THE FUNCTIONS: "IF WE PERFORMED ONLY #1 AND #8, WHAT COULD NOT HAPPEN THAT THE CITY WANTS TO HAVE HAPPEN?: THEN COMPARE....

P E D REQUEST FOR PAYMENT TO CONTRACTOR - $3,000

The work is completed and seen to be 'fine'. All are pleased. Then:

Review for signature; approve	Revw work apprve	Revw work apprve	Revw work apprve	Revw work apprve	Revw work ?	Revw work ?	Revw work ?	Revw work ?	Revw work apprve	Transmit Request	Prepare check	Transmit check	Pay Contractor
Supervisor	Unit	PM	EM?	Boss?	A&F	A&F	A&F	A&F	Director	?	Bank	Bank	Supervisor

NOTE: RULE OF THUMB: EACH 'APPROVAL' ADDS ONE WEEK DELAY THE PROCESS. WEIGH THE COST OF DELAY VERSUS THE RISK OF REMOVING THE APPROVAL.

ASK, "WHAT COULD NOT HAPPEN THAT WE WANT TO HAPPEN BY REMOVING THIS APPROVAL?" USE THE SAME QUESTION FOR EACH AREA THAT REQUIRES CONSULTATION ['MUST BE CONSULTED']

Funding Sources:

Each project that comes to the City for review has different funding sources and requirements. If a project is dependent on the City for some of the funding, it will be necessary to decide what is available in the budget,what is the timetable for delivery of the funds etc. Presently there is no central place where all sources of funds are listed. There is also no available sources of funds that can be provided from the capital budget process.

The proposed new function of Development finance officer gives the city an opportunity to provide "one Stop Shopping" on available funding sources.

The following Chart indicates in a simple format the time losses that are encountered when a proponent need to search out sources and set up meetings to decide whether they are available.

As the chart indicates there were nine sources of funds pursued, with a total of 45 meetings necessary to identify that five sources were viable. When you account for total time elapsed between meetings,and false starts,as well as time spent to identify sources you could easily have spent 45 weeks pursing funding alternatives.

Funding: 18 Sources each with 5 to 7 meetings to acquire 'yes' or 'no'.
urces of funds supply only a piece of the total monies required for a project.

Meetings	1	2	3	4	5	6	7	Total Meetings
Sources								
A	no							1
B	x	x	x	x	no			5
C	x	x	x	x	x	x	win	7
D								
E								
E	x	x	x	x	win			5
G								
H								
I	x	x	x	x	x	win		6
J								
K	x	x	no					3
L								
M								
N	x	x	x	x	x	x	no	7
O	x	x	x	x	win			5
P								
Q								
R	x	x	x	x	x	win		6

total meetings 45

Total elapsed time:
2.5 days between meetngs =
2.0 days x 45 = 90 days = 12 weeks
1 week btw meetings = 45 weeks

Develop a City Employee Team Building Program

The purpose of this employee team building plan is to develop an action-oriented phasing plan to improve performance, clarify the City of Boston's expectations and performance standards, and to develop trust and cooperation interdepartmentally. These steps will provide for an increase in productivity and will make job functions clearer.

1.) Information Collection and Processing Phase

- Interview selected employees of the City of Boston;
- Interview Boston citizens and business leaders; and
- Identify their issues, concerns and opportunities.

2.) Strategic Phase

- Consult with employees to identify how they ought to relate to their functions;
- Prepare a composite of their responses; and
- Meet with leadership to discuss job descriptions and functions plan.

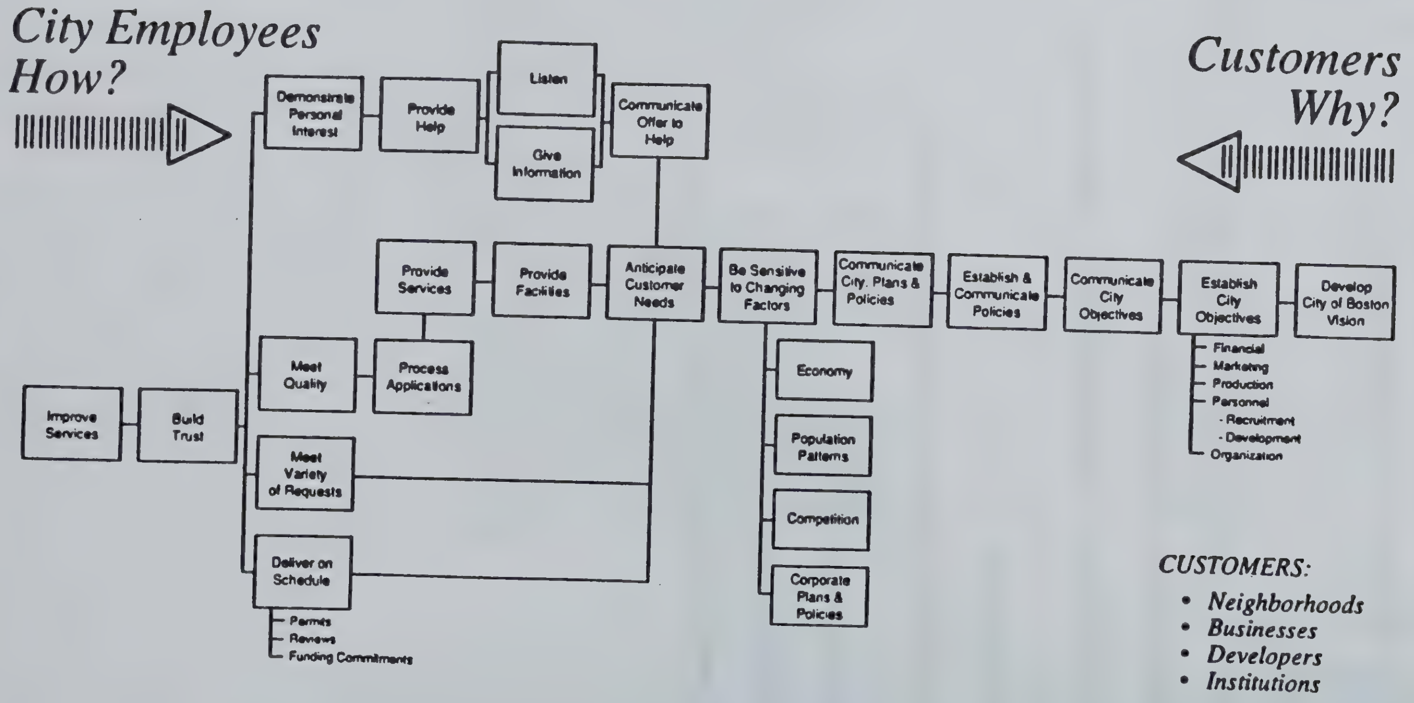
3.) Workout Session Phase

- Resolve differences based on the strategic phase outcomes.

4.) Implementation Phase

- Identify new functions; and
- Write job descriptions and performance standards.

City of Boston Team Building Program


City Employees
How?
Customers
Why?
Improve Services
Build Trust
Demonstrate Personal Interest
Provide Help
Listen
Give Information
Communicate Offer to Help
Meet Quality
Process Applications
Provide Services
Provide Facilities
Meet Variety of Requests
Deliver on Schedule
- Permits
- Reviews
- Funding Commitments
Anticipate Customer Needs
Be Sensitive to Changing Factors
Economy
Population Patterns
Competition
Corporate Plans & Policies
Communicate City. Plans & Policies
Establish & Communicate Policies
Communicate City Objectives
Establish City Objectives
- Financial
- Marketing
- Production
- Personnel
- Recruitment
- Development
- Organization
Develop City of Boston Vision

CUSTOMERS:
- *Neighborhoods*
- *Businesses*
- *Developers*
- *Institutions*

Create a Council of Economic Advisors

The Opportunity

The success or failure of the City's economic development efforts will have a profound effect not only on the residents of Boston, but on its corporate citizens as well. All have a stake in how well the City accomplishes its ambitious agenda of implementing a strategy that enhances the economic viability of the City, improves the climate for private investment in business and housing development, promotes and markets the City's competitive advantage, expands employment and increases the livability of the community.

The City, to ensure the effectiveness of its efforts in these areas, needs to ascertain the needs of those who utilize the services (e.g., business community, developers, community development corporations, etc.), deliver the services required and then measure how effectively it's doing its job. In essence, like former Mayor Koch of New York City, Boston needs to ask itself, "How am I doing?"

Currently, an opportunity exists early in the Menino Administration to establish an effective dialogue with the business, labor and neighborhood communities regarding the City's economic development efforts.

The Recommendation

The Economic Development and Housing Task Force recommends that the Mayor establish a Council of Economic Advisors to enhance the public/private partnership in promoting economic growth for Boston by creating a formal link between the Mayor and the leaders in business, labor and community development. The Council of Economic Advisors would be chaired by the City's Chief Economic Development Officer and staffed by personnel working for the City's Office of Economic Development.

The goal of the Council of Economic Advisors is to provide direct input into the City regarding economic issues, to help to monitor Boston's business climate and to evaluate the effectiveness of economic development activities. Its membership would reflect a broad spectrum of businesses, manufacturers, institutions, utilities and labor and community development organizations.

The establishment of a Council of Economic Advisors would provide the Mayor with a formal forum for honest dialogue with leaders in Boston's economy to provide feedback, guidance and advice. It also would allow the Mayor to solidify his commitment to the business community by actively involving them in the City's activities which directly impact businesses in Boston.

The advantages of utilizing a Council of Economic Advisors is that it forges a partnership with Boston's leaders and makes both the City and Boston businesses responsible for Boston's economic future. The ideas generated, suggestions offered and evaluations received will help Boston to develop a strategy which will be successful in leading the City into the twenty-first century.

In establishing a Council of Economic Advisors, membership should be carefully considered, as the mix of members will determine the effectiveness of the group. Members should be leaders in their field of expertise, committed to the City and willing to share their ideas and concerns in an open and honest dialogue. Additionally, the level of membership needs to be carefully considered. Generally, the higher the level of representation the better (e.g., the Chief Executive Officer level), as these individuals can speak knowledgeably about their businesses, assess impacts of City efforts and, if necessary, commit resources and support.

Supporting Documentation

Creating a Council of Economic Advisors to advise a Mayor on issues of economic development has been done in other United States cities, as illustrated by the following examples:

In Baltimore, Mayor Schmoke has established a Mayor's Economic Advisory Council with the assistance of the City of Baltimore Development Corporation, a quasi-public agency. Formed in June of 1993, this group, which has now been renamed the Mayor's Business Advisory Council, provides input to the Mayor on economic development policies and activities. Additionally, this Council is responsible for promoting business retention and attraction, monitoring the business climate, and making recommendations on and monitoring the effectiveness of Baltimore's economic development activities. There are 32 members on the Mayor's Business Advisory Council representing business organizations, utilities, financial institutions, manufacturers, developers, health care, professional services and higher education/foundations. Each representative is at the CEO level and the Mayor has designated one member to be the Council's Chair. Meeting once every two months, the Council discusses economic problems facing Baltimore and focuses on such questions as "Are we moving in the right direction?" Staffing for this Council is provided by the City of Baltimore Development Corporation. An initial assessment of the effectiveness of the Mayor's Business Advisory Council is positive. It has accomplished one of its major goals of providing a forum for honest discussion of economic development issues between Mayor Schmoke and the leaders of Baltimore's businesses and industries. (For additional information regarding the Mayor's Business Advisory Council, see Appendix No. 4.)

In 1991, Denver's Mayor, Wellington E. Webb, established the Mayor's Business Council in order to accomplish two objectives: to convince the business community that the City supports business and to solicit input and advice on economic development issues of concern. The Mayor's Business Council consists of 32 members of Denver's business community, representing both the "old guard" and "up and coming" businesses and is chaired and staffed by the Mayor's Office. Meeting monthly, the Mayor's Business Council provides a forum for the City of Denver to get feedback on the success of its economic development activities and to solicit advice. Most recently, the Mayor's Business Council offered its assistance when the city was re-negotiating its management contract for a city-owned ski resort. As a result of their efforts, the City of Denver was able to improve its revenue from this contract from $7,000 to $2.0 million yearly. The Mayor's Business Council has also provided the city with assistance in dealing with the Denver Airport construction which is currently underway -- the largest project of its kind in the United States. Mayor Webb's office credits the Mayor's Business Council with the fact that the City of Denver has not taken a "hit" on this airport construction project since it started. Finally, Mayor Webb, who did not have the support of businesses during the election has earned their support through this effort. Clearly by all accounts, the Mayor's Business Council has accomplished its goals for Mayor Webb of Denver, Colorado.

Develop a Neighborhood Consultation Plan

The Opportunity

Development statistics provided by the Boston Redevelopment Authority indicate that both prior to and during the "boom years" of the 1980s, the majority of development projects were concentrated in Boston's central core. During that time, nearly 55% of all projects were located in the downtown, with the remainder being done in Boston's neighborhoods. However since 1990, that trend has begun to reverse with an increasing number of development projects being undertaken in Boston's neighborhoods. Since 1990, nearly 70% of all development projects have been centered in Boston's communities, while fewer projects have been undertaken in Boston's central area. This development trend is projected by the Boston Redevelopment Authority to continue at least to the year 2000.

As these statistics indicate, Boston's neighborhoods will be the focus of much of the City's economic development activity over the next ten years. All of Boston's neighborhoods have community groups, each group with its own focus, but all sharing a common concern for their neighborhood. These groups have been active in reviewing projects proposed for their communities, concerned about ensuring that the project's benefits are shared with the community and that negative impacts are mitigated. Community involvement is important as neighborhood groups are concerned about and understand a proposed project's impacts and can share this with project proponents. Also, neighborhood groups have often developed a vision for their community which can be used to help project proponents shape the proposed project to complement that vision. Finally, community input in the process leads to a feeling of part ownership in the project, which is important to neighborhood stabilization.

While input from community groups has undoubtedly improved the quality of development projects proposed for a neighborhood for the reasons noted above, the process can also be frustrating for the project's proponents. Specifically, the multitude of neighborhood groups which represent a given area can create problems for project proponents working through the development review process. It's hard for project proponents to know who speaks for the community and this can lead to unintended problems. It is not uncommon for project proponents to meet with a variety of neighborhood groups regarding a proposed development project only to be confronted at a later date by a group which was inadvertently overlooked. This does not engender goodwill in the community and can make project development difficult.

In Mayor Menino's Inaugural Speech, he called to streamline the City's development review and approval process. Here, an opportunity exists to establish a mechanism which ensures that the residents of Boston's neighborhoods will be heard on the development issues which affect their communities. It also ensures that project proponents will obtain neighborhood input in an efficient and effective manner.

The Recommendation

The Economic Development & Housing Task Force recommends that a revised procedure for community input be developed in conjunction with the neighborhoods as a part of streamlining the development review and approval process.

The goals of this effort include the following:

- Defining and organizing the community input process. This would include determining the level of participation of each participant in the process, who the participants are (e.g., who speaks for the community, who speaks for the City, etc.) as well as a definitive timeline for the process. The overriding objective is to create a process that is predictable, accountable and reliable.

- Defining each participant's role, responsibilities and rights in the process (e.g., City, community and project proponent).

Defining this predictable, accountable and reliable process should produce a "win/win/win" situation. The community "wins" because it has helped to establish and understands the process for honest debate on a project's merits; the project proponent "wins" because there is a forum for community input and no guessing as to who represents the neighborhood; and the City "wins" because this should result in an efficient and effective process which addresses the needs of the neighborhoods and the City.

Supporting Documentation

Illustrated in the following examples are ways in which other United States cities have structured community participation into the development review and approval process.

Twenty years ago when Atlanta, Georgia adopted a new charter, it was important to the city to solicit citizen participation in both city planning and in projects which would impact the city's neighborhoods and its residents. To that end, Atlanta passed an ordinance creating neighborhood planning units. There are 218 recognized neighborhoods in Atlanta which have been divided into 24 neighborhood planning units. The neighborhoods in these units tend to be contiguous and united by common interests. Neighborhood planning units are citizen-based groups whose membership consists of neighborhood organizations and interested citizens. Each neighborhood planning unit holds yearly elections for officers and has established by-laws. These units are recognized by the city as the representatives of their respective neighborhoods. These neighborhood planning units provide a forum for project proponents to present their proposals and to receive community input. Upon review of a project, the neighborhood planning unit takes a position on the project by voting and informs the city of its decision. Generally, project comments are limited to general comments on the concept of the proposal. However, if the membership feels strongly, the neighborhood planning unit can negotiate with the project proponent on issues such as scale and design. The decisions rendered by the neighborhood planning units are recommendations only and are not binding on the City of Atlanta. Clearly, however, city officials take the unit's comments into consideration before making a final judgment. John Heath of the Department of Planning and Development noted that for neighborhood planning units to be effective there must be a clear understanding between the city and the unit as to the exact nature of the relationship and how the information provided by the unit will be used.

In Denver, Colorado, the city's ordinance regarding planning and the Planning Office includes a section on the registration and notification of neighborhood organizations. This ordinance provides for the registration of neighborhood organizations with the city. According to this ordinance, "...the council hereby intends to extend official recognition to neighborhood organizations registered with the city; to notify such organizations in advance of occasions when decisions are to be reached on certain matters affecting their neighborhoods; and to afford representatives of such organizations the opportunity to present positions of the organization at such times". The registration is used not only for notification of city business in the neighborhoods, but listings of relevant neighborhood organizations from this registration are also provided to applicants of proposed projects for their use. The Planning Office is responsible for maintaining and periodically updating this listing as outlined in the ordinance. Utilizing this neighborhood registration system helps to legitimize the process of neighborhood notification and involvement. Neighborhood groups are encouraged to register to enjoy the benefits, such as specified notification requirements on matters affecting their community.

San Francisco, California handles community involvement in development projects by maintaining a listing of neighborhood organizations and providing said listing to developers for their use. Like Boston, the neighborhoods of San Francisco are represented by numerous groups concerned about the welfare of their community. Additionally, community input into development projects is similar to Boston's. When asked about developing a community input process in conjunction with neighborhood groups, Alec Bash, Assistant Zoning Administrator for San Francisco's Planning Department, commented that it was a good idea to involve neighborhood groups in the development of a process which they would be utilizing. It was noted that such a process could also provide an opportunity for the City to discuss the importance of the neighborhoods' and the City's economic well-being and to encourage the development of a timely process-- "a decision delayed is justice denied".

Create a Plan for Boston

The Problem

Planning Boston's environment, its neighborhoods, business districts, downtown core, open space and other elements, is the cornerstone for Boston's future. Decisions made during the planning process drive how Boston will look and what kind of place Boston will be in the years and decades to come. But where is Boston headed? What is the vision for Boston? As David Osborne and Ted Gaebler noted in their recent book Reinventing Government, "It is one thing to anticipate the future; it is quite another to make decisions based on foresight." To do so requires strategic planning which involves "examining an organization's or community's current situation and future trajectory, setting goals, developing a strategy to achieve those goals, and measuring the results." Strategic planning in the public sector has one more element: the consensus of its clients, the citizens whom it serves.

Currently, the City of Boston has several agencies which do planning for zoning, housing, development, transportation, open space, etc., with no single overall planning agency coordinating these efforts. Planning efforts by City agencies include the following:

- Boston Redevelopment Authority: zoning, institutional planning, neighborhood planning, downtown planning, housing planning, waterfront planning, and policy development and research (which supports planning efforts).

- Public Facilities Department: neighborhood planning (which includes business partnerships, residential partnerships and partnerships in planning), capital planning, and policy development (which supports planning efforts).

- Economic Development and Industrial Corporation: policy and research (which supports planning efforts).

- Boston Transportation Department: neighborhood transportation planning studies, transportation master plans, and transportation access plans.

- Parks and Recreation Department: open space planning, capital planning, environmental planning, neighborhood open space planning, historic park planning, harbor open space planning, and strategic planning.

- Environment Department: wetlands/waterfront and preservation planning.

This listing is not meant to be comprehensive but rather illustrative of the various planning functions undertaken by City agencies. Decentralization of the City's varied planning efforts often has resulted in a conflicting vision of and for Boston, both in downtown and the neighborhoods.

The Recommendation

Developing a shared vision for Boston requires that all those involved in the process work in a coordinated fashion. The Economic Development and Housing Task Force recommends the following:

- The planning functions performed by all City agencies including, but not limited to, those performed by the Boston Redevelopment Authority, Capital Planning, Transportation Department, Parks and Recreation Department and Public Facilities Department be coordinated under one planning agency, the Boston Office of Planning, that would be under the jurisdiction of the City's Chief Economic Development Officer. The Boston Redevelopment Authority would form the basis for this planning office.

- The City provide an appropriation to the Boston Redevelopment Authority to carry out its planning functions. According to the Boston Redevelopment Authority's questionnaire response, since 1988, "the BRA has relied on its real estate inventory to provide funds for its operation. When the real estate market subsided, revenues declined...With the decline in revenues, the BRA continues to monitor its operating expenses, but more importantly, must secure a dedicated source of funding to offset the uncertainty of the real estate market."

- The City strategically plans for its future by creating a vision, shared by Boston's corporate and private citizens, that will guide Boston's future development efforts.

One of the major advantages of a comprehensive planning agency is that it allows for a more efficient and effective planning process to occur as all of the relevant players are working in the same location. Plans can be developed jointly, with all relevant parties at the table discussing concerns in an on-going fashion. This eliminates the development of plans which have unintended impacts on other city functions (e.g., a transportation plan negatively impacts an open space plan). Municipalities which have comprehensive planning agencies have noted that a "team" approach to planning often results from all the different planners working together. Therefore, improved communication is also an advantage of a comprehensive planning effort.

City planning efforts support development by determining the guidelines as to how Boston will grow and change. Ideally, the utilization of strategic planning efforts will create a shared vision for Boston's future. Therefore, the results of such efforts conducted by a comprehensive and coordinated City planning agency will allow for the development process to move more smoothly. This should also contribute to the City achieving Mayor Menino's stated Inaugural Speech goal of decreasing the permitting timeline for development projects by 50%.

It will be important for the new planning agency to operate under a philosophy of "planning with", not "planning for" people. Planning should incorporate input from the business community, residents and other city agencies that will be impacted by planning decisions.

Supporting Documentation

Other United States cities are also trying to deal with the results of a decentralized planning process, as illustrated by the following examples:

In Pittsburgh, the administration of newly elected Mayor Tom Murphy is looking to coordinate the city's planning efforts, especially as those efforts relate to major developments and project sites. To accomplish this, Mayor Murphy is establishing neighborhood planners which would work out of the Mayor's Office and coordinate with the planners in Pittsburgh's various city agencies.

In Albuquerque, New Mexico, the Director of the Department of Planning, under the direction of the Mayor, is looking to improve coordination between the city agencies which do their own planning and the city's Department of Planning. Citing a lack of cooperation among the agencies, the Mayor has established a Planning Oversight Committee to look at Albuquerque's planning process and to make recommendations which focus on obtaining results.

Comprehensive planning agencies have been established by other United States cities as illustrated by the following examples.

For 25 years, until 1992, the City of Indianapolis and Marion County had a comprehensive planning department, the Planning Division of the Department of Metropolitan Development. All of the planning for Indianapolis and the surrounding county was done in one location. Planning efforts included transportation, open space, land use (zoning, neighborhood planning, downtown planning), regional planning and environmental planning. (An organizational chart of the Division of Planning for the Department of Metropolitan Development is attached. See Appendix No. 5.) As a result of this organizational structure, the planners talked to one another more and this resulted in a "team" approach to many planning efforts. A direct result of this collaborative effort was a more efficient planning process. The Planning Division had a staff of nearly 60 people and a budget of $3.0 million during its "heyday". As noted previously, one disadvantage to a centralized planning function can be the lack of cooperation and good working relationships between the planning agency and the departments that it serves. This was true of the Planning Division. In 1992, citing the fact that the departments were not working well together, the newly elected Mayor decentralized the planning functions. According to a supervisor in the Planning Division, this decentralization effort does not seemed to have entirely resolved the problem.

In Baltimore, the Department of Planning oversees the City's planning efforts in the following areas: community planning, capital improvement/budget, current planning (including zoning and conditional use), and strategic planning (including economic development analysis). Other functions performed by the Department of Planning include design review and computerized mapping via geographic information services. While the Department of Planning has never done open space planning, it has done transportation planning and that function will become its responsibility again in the near future. Currently, the planning staff numbers 65, although it has been reduced in size over the years as a result of budgetary constraints. One of the major advantages of this arrangement as noted by the Department of Planning's Director is the coordination of all planning efforts which minimize conflicts between various planning specialties. Efforts have been made to improve the relationship between the Department of Planning and the agencies which it supports by keeping the agencies up-to-date on the planning efforts underway. According to the Department's Director, communication is the single most important thing to making the planning effort work: communication between planners, and communication between the Department of Planning and other city agencies.

Develop a Housing Policy for Boston

The Problem

Housing is big business. Not only is it big business, it's important business. The availability of safe, affordable housing, whether in rental or homeownership opportunities, is one of the keys to attracting and keeping residents in Boston. Housing is also intertwined with neighborhood stabilization and the confidence that Boston residents have in the future of their community and City. As such, it is a job that the City must do well. The future health of the City depends upon the health of its neighborhoods, which in no small part depends upon the health of its housing stock and the opportunities available to individuals to live in and own housing in Boston.

The City, through a variety of programs and initiatives administered by various City agencies, has a significant role in the business of housing. Boston's housing activities include the following:

- Regulatory activities which impact much of the City's private housing stock. These activities are administered by the Rent Equity Board, Fair Housing Commission, Boston Redevelopment Authority and Inspectional Services Department. Areas of regulatory control include: permitting, construction, rehabilitation, occupancy, density, rent setting, procedures for eviction, and marketing.

- The provision of subsidized housing for low-income people in the City of Boston. The Boston Housing Authority, the fourth largest in the country, has 18,000 units which house more than 60,000 residents. The Boston Housing Authority also administers approximately 8,000 rental subsidy certificates.

- The creation and preservation of affordable housing opportunities and the provision of services to help Boston homeowners through a variety of programs and activities undertaken by both the Public Facilities Department and the Boston Redevelopment Authority.

This listing is not meant to be comprehensive, but rather illustrative of the various housing functions undertaken by City agencies. It is also interesting to note that some housing programs offered by the City, such as homebuyer education services, are also offered by statewide and local non-profit agencies as a part of their services to the communities of Boston.

Finally, there is a need to coordinate the City's various housing functions (regulatory, development and management) under a unifying set of policy guidelines that describe the City's housing "philosophy" and plans for the future.

The Recommendation

In the area of housing, the Economic Development and Housing Task Force recommends the following:

- The establishment of a Housing Assistance Office under the jurisdiction of the Chief Economic Development Officer where all of the City's housing functions, activities and programs can be reorganized, consolidated, coordinated and effectively managed. This Housing Assistance Office, as currently envisioned, would encompass the following kinds of activities: housing services (including tax title, rent equity, special needs, foreclosures), housing development (including funding options, code compliance and permitting), and public housing (including the Boston Housing Authority and other public housing).

- Explore the possibility of contracting to non-profit community organizations some housing programs, such as homebuyer education, etc. In consolidating and coordinating the City's housing programs, attention should be paid to areas where there may be duplication of efforts between the City's programs and programs provided by community organizations.

- Develop and implement a comprehensive and inclusive housing policy to guide the City's efforts. When completed, this policy should guide the City's housing programs by establishing priorities and providing direction to the agencies currently involved in housing. The Housing Subcommittee of the Economic Development & Housing Task Force has developed a template for a housing policy which supports Mayor Menino's five housing priorities (new homeownership, stabilization and affordability of the rental stock, revitalization of public housing, foreclosure and prevention management, and housing for people with AIDS). This housing template policy follows this recommendation.

Clearly, the major advantage of consolidating housing programs would be to coordinate the City's efforts to achieve its housing priorities. All activities and resources would be focused on the same goals. Consistency of purpose is more easily achieved in an agency which administers all of a city's housing functions. This organizational structure would also provide for and promote the sharing of information and the integration of the responsibilities of the various housing functions. The interrelationship between these various activities (e.g., rent equity, code compliance, tax title) could be better understood by all housing staff and utilization of information across activity boundaries will improve the effectiveness of each activity.

Another advantage to the establishment of a Housing Assistance Office, which would contain the housing programs administered by the Public Facilities Department and the Boston Redevelopment Authority, is the resulting clear separation of a variety of functions now performed by City agencies. As a result of this shift in programs, the Public Facilities Department can and should return to its original mission of designing, constructing and maintaining the City's public facilities and the Boston Redevelopment Authority can concentrate its efforts on planning (as outlined in the Task Force's recommendation on this topic).

Accountability has also been noted as an advantage of a comprehensive housing agency, as staff don't generally want to use a colleague as a "scapegoat". Whereas if functions are divided between agencies, these functions become politicized. As a result, getting the job done is sometimes less important than "winning" a political battle with another department.

Finally, it should be noted that the concept of a comprehensive housing agency for the City of Boston has been supported by two agencies interviewed by the Housing Subcommittee. Tom Callahan, Executive Director of the Massachusetts Affordable Housing Alliance, stated that he supports the concept of one housing agency. Additionally, Barbara Burnham, President of the Board of Directors of the Citizens Housing and Planning Association, commented that she would like to see Boston have a cohesive housing agency or department where all of the City's housing resources could be coordinated under one roof. Ms. Burnham believes that this will lead to a simpler, more efficient, "user-friendly" agency.

Supporting Documentation

The consolidation of housing functions has also been analyzed by San Francisco, California, as detailed below.

In San Francisco, California the consolidation of the city's various housing functions was reviewed. Under consideration for consolidation were the following activities: rent control, the Public Housing Authority, the redevelopment agency (housing staff only) and the Mayor's Office of Housing. In analyzing whether or not to consolidate these functions, the bottom line was cost savings--could costs be reduced. In the final analysis, there were no cost savings and so the consolidation was not done. As stated by the Director of the Mayor's Office of Housing, Ted Dienstfrey, "Unless you're going to save money, why bother?" (It should be noted for comparison's sake that the total number of staff dedicated specifically to new housing, grant distribution, etc., is nineteen.) When asked about communication between the various city agencies responsible for housing functions, the Director stated that there were no communication problems. In addition, to ensure coordination on housing initiatives and programs a Low Income Housing Committee has been established. This Committee has three members: the Director of the Mayor's Office of Housing, the Executive Director of the Redevelopment Authority and one other representative of the Mayor's Office of Housing (currently it is the city's Homeless Advisor). The Low Income Housing Committee meets regularly to review proposed housing projects and to make recommendations to the Mayor as to the spending of funds.

The following example illustrates the operation of a comprehensive housing agency:

In New York City, according to the September 1992 edition of The Mayor's Management Report, "The Department of Housing Preservation and Development preserves, upgrades and expands the City's affordable housing stock." To accomplish this mission, the Department of Housing Preservation and Development is organized into four (4) divisions: Property Management; Development; Rent and Housing Maintenance; and Management Administration.

Property Management is responsible for managing buildings, both tenant occupied and vacant, taken through tax foreclosure. The Development Division encompasses all of the activities necessary for housing development including rehabilitation and financial services, planning, neighborhood services, technical services, rental subsidies, tax exemptions and abatements. In addition, this Division manages the neighborhood preservation program which brings all of these services together in field locations throughout New York City. The Rent and Housing Maintenance Division is responsible for monitoring and enforcing housing code compliance and for administering small loan programs. Finally, the Management Administration Division handles all of the Department's internal administrative functions such as budget, personnel, legal counsel, policy, and intergovernmental affairs. New York City has found that this structure has helped the agency to be more efficient. This structure also promotes a high degree of accountability amongst staff, there is very little "scapegoating" as staff would be blaming a colleague as opposed to staff in a different department (if housing functions were fragmented). Finally, New York City has noticed an increase in communication among related housing staff as a result of this consolidated structure.

TEMPLATE FOR A HOUSING POLICY

Mayor Menino has announced that his housing agenda will focus on the following five priorities:

I) New home ownership;

2) Stabilization and affordability of the rental stock;

3) Revitalization of public housing;

4) Foreclosure prevention and management; and

5) Housing support for people with AIDS.

In support of the Mayor's agenda, the Sub-committee on Housing proposes a template deliberately designed to support the five specific housing goals. It is meant to be a paradigm for change and direction, reflecting different phases and tasks that need to be part of specific work plans for each of the goals.

The development of work plans must take into account the following basic assumptions:

1) There are influences exerted on housing choices by non-housing factors (for example, public safety and schools). All city residents want to see those issues addressed.

2) Because of limited resources, housing goals must be articulated specific to neighborhood stabilization priorities.

3) City agencies are an integral part of the housing agenda.

The Economic Development and Housing Task Force recommends that in developing a housing policy, the Menino Administration utilize a framework for growth and change that can evolve through several phases and tasks.

DEVELOPMENT PHASE

- Develop a process which provides community input regarding priorities for particular neighborhoods and draws on the expertise of staff to evaluate the City's financial capacity to intervene when needed.

- Articulate priority target income levels for programs.

- Define Boston's position regarding funding stream for initiatives, i.e. allocation for federal entitlement dollars; competitive funds from HUD, EOCD and other public agencies; little expenditure of funds except to broker private sector resources to fund the priority.

- Develop an early warning system which then leads to aggressive, coordinated action against the deterioration of existing stock from arson, abandonment or other negligence.

EVALUATION AND PLANNING PHASE

- Analyze existing housing stock, current ownership patterns, and income levels to determine which of the above priorities becomes critical in a particular neighborhood.

- Identify the strengths and needs of specific neighborhoods and establish development agendas which compliment strengths and address high priority needs.

- Analyze population trends and prioritize programs to mitigate negative effects and build on emerging strengths (i.e. ethnic changes which are creating a new generation of immigrant entrepreneurs).

- Explore regional solutions to issues currently addressed solely through the City's governmental structure.

- Analyze the degree to which a private or non-profit sector delivery system may provide value added over public sector. Conversely, look at gaps in the private sector delivery system which are best met through the public sector taking a lead role.

IMPLEMENTATION STRATEGIES

- Provide analyses of housing projects identifying the degree to which supportive services for residents must be included to create viable developments.

- Coordinate functions across departments to maximize the impact of City programs and resource allocation on individual neighborhoods.

MEASUREMENT PHASE

- Carry out yearly performance evaluations within the agencies charged with implementing housing goals. The attainment of stated goals by said agencies will inform the adjustment to the strategic work plans with respect to priorities, tasks, and levels of resources needed.

- Gather feedback from neighborhood councils and non-profit agencies with respect to progress on specific goals.

Create a Business Services Center

The Opportunity

While attracting businesses to Boston is important, keeping both large and small businesses that are currently in Boston is equally important to a healthy economy. But how does a city go about ensuring that its current corporate citizens are connected to and committed to it? How does a city show that it cares about the businesses, both global and neighborhood in focus, that make up its economy? According to the November 15, 1993 issue of Developments Magazine in an article entitled "One-stop Business Centers: Renewed Emphasis on Advocacy, Permit Streamlining," numerous cities across the United States are focusing on retaining the businesses that they have by improving services to these businesses, often through the establishment of "one-stop" service centers that act as advocates for business. As an added benefit, business assistance systems can also help to create a climate to attract new businesses to an area.

The Menino Administration realized early on the importance of reaching out and providing a mechanism for the business community to have easy access to City assistance. Unlike in the 1980s, when businesses were competing to do business in Boston, in the 1990s, Boston must compete with other cities for business. As a result, in August of 1993, the Business Retention Center was established in the Mayor's Office to act as a liaison between the business community and City agencies. Its mission, as stated in the transition documents for the Business Retention Center is to provide "a range of one-stop shopping services to the small and large business communities of Boston." Services include providing assistance in resolving simple and complex business issues and sharing information with businesses about relocation, financing and technical assistance. To date, more than 200 calls from businesses have been handled by the Business Retention Center.

The Recommendation

In reviewing the economic development functions within the City of Boston, it is clear that business services are an essential element. The Economic Development and Housing Task Force recommends that the business services efforts of the City be placed under the jurisdiction of the City's Chief Economic Development Officer. Additionally, it is recommended by the Task Force that a new name be given to this office, perhaps the Business Services Office, to more accurately reflect its mission. The Business Retention Center's Director, Doug Housman, stated in the Center's transition documents, "The Business Retention Center (perhaps a better name in the future will be the Office of Business Services) should be placed within the new economic development structure that emerges from the transition and should fall within the jurisdiction of the Director of Economic Development."

Placing these functions in Boston's economic development agency will assure that all aspects of business services are located within one department. The advantages to such an arrangement include: access to staff that deal with economic development issues and who can provide advice and information; knowing the current status of the City's development services (e.g., what can and cannot be offered); and (re)solving a majority of the problems "in-house" rather than referring the business to another agency. Additionally, locating a business services center outside the mayor's office helps it become established and viewed by those utilizing it as a basic city service.

The success of any business services program is going to require mayoral support. As noted in the article "One-Stop Business Centers: Renewed Emphasis on Advocacy, Permit Streamlining," a contributing factor to the value of business services centers is "the level of commitment and priority given to their mission by mayors and other elected officials. " Clearly the Menino Administration has placed an enormous priority on economic development and has illustrated this commitment not only with the establishment of the Business Retention Center, but with the naming of a Chief Economic Development Officer as well. Mayoral support for and commitment to the program however, does not require that the Business Retention Center be located in the Mayor's Office. In fact, one disadvantage of such a location is the danger of its' being viewed as a political office.

The Economic Development and Housing Task Force believes that the mayoral commitment and support which has already been clearly demonstrated will allow the Business Retention Center to achieve results as an integral part of the City's economic development agency.

Supporting Documentation

Linking business services with economic development agencies has been done in other United States cities, as illustrated by the following examples.

In Cleveland, Ohio, the Small Business Ombudsman Service was established as a division of the Department of Economic Development in July of 1990. The services offered by this office include: advocating for small businesses in their dealings with various branches of Cleveland city government; operating an industrial retention program to help businesses deal with issues of expansion; and managing an enterprise loan fund of $1.0 million that utilizes paybacks of Urban Development Action Grant project loans and matching funds provided by a group of banks. Its staff of 2 ombudsman and a part-time secretary handle approximately 250 businesses each year through their "case tracking" system in addition to dealing with numerous informational phone inquiries.

St. Louis, Missouri's 12 year-old Business Assistance Center is currently located in the quasi-public St. Louis Development Corporation, after originally starting out in the mayor's office and then moving to St. Louis' Office of Business Development. The Business Assistance Center works to facilitate businesses' dealings with the city's licensing and permitting agencies. In addition, referrals are made to city and area development agencies for financial and technical assistance. With a staff of 6 and a budget of approximately $300,000, an estimated 2,000 businesses receive assistance through the Business Assistance Center on a yearly basis. The St. Louis Business Assistance Center prides itself on a 98% satisfaction rating by its clients.

Chicago, Illinois' Department of Planning and Development is preparing to implement Chicago's "Business Express" on March 17, 1994. This customer-oriented process for delivering services to businesses will be staffed by 4 Business Relationship Managers on a full-time basis and by other Planning and Development staff as necessary. These Managers will respond to hotline calls, provide information and facilitate the delivery of departmental services. To aid in this endeavor, each Chicago city department has designated a Business Express Departmental Agent who will work with the Business Relationship Managers to address the needs of business for services the department provides.

Create a New Job Training Program

The Opportunity

One of the indicators of economic success is whether people are employed. Fortune Magazine, in its November 15, 1993 issue, rated Boston as third in the country for knowledge workers. While this is in some part due to the numerous colleges and universities in the area whose graduating students remain in Boston to work, it is also due to employment and training programs which prepare Boston residents for the workforce and place them into jobs. In addition to providing an essential service to Boston's residents, employment and training programs can also be used to provide a competitive advantage to Boston as a place for businesses to locate and grow by targeting training programs to the skills required by those employers moving into or expanding their businesses in Boston. Close working relationships with employers are critical to achieving this goal.

Currently, the City's job training and employment functions are performed by the Division of Jobs and Community Services at the Economic Development and Industrial Corporation. The functions performed include: employment and training administration, community services administration, and the monitoring and enforcement of the Boston Residents Job Policy. Originally a stand-alone agency, the Office of Jobs and Community Services merged with the Economic Development and Industrial Corporation during Fiscal Year 1991.

While this structure does allow for the development of strategies coordinated with businesses to service the needs of businesses locating or growing in Boston and provides for early involvement of job training staff in a development project, this arrangement does have its disadvantages. In the Economic Development and Industrial Corporation's response to the question "What other organizational structures might be considered (do not be constrained by law or current regulations)?" the following was noted:

"The major disadvantage to this approach (having the job training function within an economic development agency) is the Jobs and Community Services functions can take a back seat to the financing and development functions within the agency because it is not the core business of the agency. In particular, the community services functions tend to be a non-core business under this scenario. It resides in the agency now for two main reasons: it has historically been tied to the employment and training administration for reasons of economy of scale in grants administration and to link support services to employment and training services."

The Recommendation

To build and maintain the close employer contact which is crucial to the success of employment and training programs and to provide a competitive advantage to Boston, the Economic Development and Housing Task Force recommends that these functions be transferred to and merged with the Boston Private Industry Council. The Boston Private Industry Council currently oversees, under federal law, the distribution of job training funds. Additionally, under State law, the Boston Private Industry Council serves as Boston's Regional Employment Board which is responsible for coordinating workforce planning and job training.

There are advantages to having the Boston Private Industry Council administer the job training and employment functions on behalf of the City. Under such an approach, businesses, working in conjunction with the Boston Private Industry Council, can help design programs to meet both their current and future employment needs. This will help to ensure that the right type of training and education is being provided and that employers are actively invested in the results of these efforts. As stated in the questionnaire response prepared by the Economic Development and Industrial Corporation, "The major advantage of this alternative is that the leaders of the business community can shape the direction of the employment and training system and invest in that system with the same energy that they have invested in the Boston Public Schools (via the Boston Compact). The size of the system is manageable enough to be able to bring large and mid-size employers to the table and to ensure that residents who complete education and training programs will have an excellent opportunity for full-time, permanent employment."

Another advantage to this scenario is the Private Industry Council would be responsible not only for coordinating workforce, planning and job training funds, but also for administering the job training and employment programs. This allows for one comprehensive system rather than two separate systems. As noted by the Economic Development and Industrial Corporation, "There are real opportunities for economies of scale by merging the administrative staff of the PIC with the administrative staff of the EDIC. Both agencies have a core mission of preparing Boston residents for emerging jobs."

Disadvantages have been identified, both by the Economic Development and Industrial Corporation and other United States cities which have this arrangement. These are outlined below and most can be resolved through a Memorandum of Agreement between the City and the Boston Private Industry Council.

According to the EDIC, "The major disadvantage to this alternative is that the City would continue to bear liability for any disallowed costs found in federal and state audits of the employment and training system without having direct control over the funding decisions of the system."' Other cities contacted noted that while this is an issue of concern, it has never been a problem. Mechanisms established for addressing this concern include: city involvement in an Auditing Subcommittee of the local Private Industry Council; city involvement in the selection of an auditor, and the city having the local PIC obtain liability insurance. Finally, the EDIC notes, "There may be ways to address this issue through structuring roles for the City in PIC decision-making bodies."

Additionally, cities with this form of job training and employment administration note that there is no formal mechanism for City input into the planning process for job training. A Private Industry Council may not view itself as part of the overall city system in terms of the services it provides. It was agreed by cities that these problems could be resolved through language in the agreement made between the City and a Private Industry Council.

Other issues of concern noted by the EDIC include "the separation of the training function from the enforcement function of the Boston Residents' Job Policy, which can be a job development function for non-compliant projects. It also separates the community services function which necessitates two grant management functions in the City and does not allow for any flexible programming for employment and training or linkage with support services." In one municipality, support services are co-located in the same facility as the PIC (e.g. the Welfare Department has a representative there). This might be an option for the City's community services functions.

Supporting Documentation

Utilizing a Private Industry Council to administer job training and employment functions on behalf of a city has been done in other United States cities as illustrated by the following examples.

The Private Industry Council of Philadelphia, Inc. has administered the city's job training and employment functions since 1985 when the city's Office of Employment and Training merged with the Private Industry Council of Philadelphia, Inc. The impetus for this merger was the passage in 1982 of the Job Training Partnership Act by the United States Congress which outlines how job training funds are to be overseen. The Private Industry Council of Philadelphia, Inc. has a formalized local agreement with the City of Philadelphia, a Letter of Understanding. Having businesses invested in the success of the programs administered by the PIC of Philadelphia, Inc. contributed to it being named "Private Industry Council of the Year" in 1993 for job training and employment results.

In San Francisco, the Private Industry Council of San Francisco, Inc. administers the job training and employment functions for the city and the county under a Mutual Agreement Document negotiated in 1983. Job training was originally a function of the Mayor's Office, but when these functions were merged with the Private Industry Council of San Francisco, Inc., the city's job training staff joined the Private Industry Council of San Francisco, Inc. Like Philadelphia, the impetus for this merger was the Job Training Partnership Act of 1982. The Private Industry Council of San Francisco, Inc. has a service delivery area of 49 square miles and a budget of 9.0 million.

Develop and Implement a Marketing Plan for the City of Boston

Marketing Boston should be an easy task. The City's architecture, historic points of interest, meeting and exhibition centers, hotels, restaurants and shopping areas are among the finest in the world. Boston's popularity as a destination goes far beyond its physical facilities, combining old world charm, urban sophistication, culture and diversity in an international center for education, medicine, high technology, finance and the arts.

Efforts to market Boston have been sporadic but not without success in promoting special events. For example, in 1992, Conventures, Inc. organized the Tall Ships' visit to Boston. An estimated 7,000,000 people viewed the ships and participated in related events. The Tall Ships generated half a billion dollars in local and regional commercial activity. In June and July of this year, international soccer's World Cup competition is expected to bring 70,000 international visitors to Boston as a result of promotional efforts coordinated by the Greater Boston Convention and Visitors Bureau.

Other major challenges and opportunities lie ahead. The $7± billion Central Artery/Tunnel Project will test the City's ability to maintain its distinctive character, and to attract visitors and businesses during the lengthy construction period. Ongoing efforts to bring the Olympic Games to Boston in 2008 will require further economic analysis, planning and a long-term commitment to assure success without diverting scarce resources from other pressing needs.

These challenges and opportunities, as well as the prolonged downturn in the regional economy, have underscored the desirability of a more comprehensive marketing plan and strategy. The City will have to work harder than ever to convince businesses to make Boston their home despite its high costs. Fortunately, Boston also has excellent marketing resources to draw upon, including the Greater Boston Chamber of Commerce/Artery Business Committee, the Convention and Visitors Bureau and the City s many public relations firms.

The marketing function has two distinct but related elements:

- the promotion of tourism and special events as an industry leader; and
- the efforts necessary to maintain and improve the business climate and to increase investment in Boston.

Boston's marketing function could be managed in a number of different ways. The most important task is to find ways to encourage greater involvement of private sector businesses and trade organizations and to eliminate overall duplication of efforts. One approach would be to place special events and tourism under the direction of a single, highly qualified individual with a direct link to the Mayor's office. The "Director of Special Events and Tourism" would serve as the Mayor's liaison in the industry and target key events for the Mayor's participation. In light of current budget constraints, the Director should invite the Convention and Visitors Bureau to propose and to help implement a short-term marketing plan for Boston that would firmly establish the Mayor as a strong advocate of the tourism industry. After immediate marketing efforts are underway, the Director should collaborate further with the Convention and Visitors Bureau, Massport and other state agencies and trade organizations on the development of a long-term marketing plan and strategy.

The efforts necessary to improve the business climate and to persuade businesses to stay in Boston or relocate here should be developed with the advice of the Council of Economic Advisors and coordinated within the Office of Economic Development. This will ensure that the marketing element remains a top priority. Since marketing is not its principal focus, however, the Office of Economic Development should formulate an action plan with the assistance of the Greater Boston Chamber of Commerce/Artery Business Committee, and take full advantage of the business community's well developed marketing skills. The first order of business should be to implement the Chamber's proposed marketing program, "Selling Boston to Investors", through which a team of top Boston executives would act as a pro bono "sales force" to bring greater capital investment to the Greater Boston area. Ultimately, the City's best marketing tool will be substantive change in the business climate generated by economic development initiatives such as the City's Business Services Center and improved service delivery system.

The Office of Economic Development should also benefit from the experience of other cities in organizing effective marketing efforts. For example, since 1984, Philadelphia's privately funded "Economic Development Coalition" of private and public sector leaders has served successfully as a catalyst for regional cooperation, business attraction and retention, image enhancement, new ventures with technology transfer and neighborhood job creation in Southeastern Pennsylvania. Finally, the importance of articulating the Mayor's vision for Boston's future cannot be overemphasized. The "Dallas Plan", described in the marketing materials included in this report, combines information on development potential, land use planning and possible outcomes in an attractive format with excellent graphics. The Economic Development Coalition and the Dallas Plan are excellent models for the Office of Economic Development to consider in the months ahead.

Develop a City-Wide Campaign to Develop Boston Team 2000

The Team Members

In order for this team building campaign to be successful, the following parties' needs will have to be met. These needs not only reflect customer standards but also present goals against which the City can measure its achievements.

The Mayor:

1) A City that serves the customer;
2) A more efficient, better managed and less costly City;
3) More tax revenue;
4) A City that is pro-actively seeking to welcome employers and employees; and
5) A government that works in concert, not disharmony.

The Employees:

1) A clear value established for their work;
2) A desire to be part of a team and shared vision;
3) A desire to create a City that people will commit to and stay with;
4) A need to have a clear understanding of their role and function and the ability to move forward after months and years of non-direction;
5) The value of doing a good job and having a clear understanding of its worth as well as the standards to which they will be held accountable; and
6) The value of being part of building for the future generation.

The User Public:

1) A need to see change that is reflected in better efficiency and a more responsive permitting process (so their home addition doesn't take 6 months to get permitted);
2) A more accessible City government;
3) A new commitment to their retail centers and neighborhood open spaces;
4) More job opportunities for them and their children; and
5) More regional sharing for problems such as homelessness, environmental hazards and institutional encroachment.

The Corporate Public:

1) A clear, understandable process to get businesses established, to build housing and to expand existing businesses;
2) A responsive City government that provides efficient and timely services and invests in the infrastructure;
3) A business partner that advocates for their needs; and
4) A definable, bankable process that does not cause financial risk when trying to establish businesses in Boston.

In order to get the Menino Administration focused on the task of building Boston Team 2000 and reorganized in the direction of developing a better delivery system in the development of projects, the Chief Economic Development Officer will have to take a proactive approach. There is much to be done in the area of developing a new organizational profile and it cannot all be accomplished overnight.

There are many short term approaches to beginning a team building agenda in the City. These will help to begin to build consensus and to get the staff to help meet the agenda for service delivery, performance standards, goal setting and developing realistic expectation parameters for the public. What follows is a list of short term objectives for the City's development agencies to begin this team building program.

Short -Term Team Building Opportunities:

1.) In the absence of a totally reorganized system, inter-agency teams organized around function should be put together. This will begin to get projects moving forward in an interdisciplinary direction.

2.) Develop an informal team of project advocates.
For the time being, they can be the team leaders in the different function areas. These advocates will be the interface between the Office of Economic Development and the public.

3.) Develop a neighborhood Charette in which different neighborhoods are asked to help plan for their future. This will give the Menino Administration some guidelines with which to develop a new Urban Plan. A neighborhood committee must be established to follow up on the implementation.

4.) Invite the housing community to form a committee comprised of both non-profit and for-profit providers to share their goals and objectives for housing with the City of Boston, including the Boston Housing Authority. In fact, give the BHA the lead in order to build a different view of what the agency is and how they can participate in the broader housing agenda.

5.) Invite the Boston Society of Architects to develop a committee to focus on establishing design review guidelines as well as re-evaluating contract language and requirements for the City of Boston on both small and large projects.

6.) Have local architects, as a service to the City, perform peer design reviews on projects pending in Boston. This will help to clear up any design review backlog and to move projects forward.

7.) Arrange to have every City agency display their work for public viewing at Quincy Market or some other public place as an outreach to the general public and to make them more aware of the services provided by the City.

8.) Reorganize at least one functional area, such as housing or compliance for example. This could be the test case for conversion of all agencies into a function based mode of operation. There should be a public relations campaign generated around such an effort to send signals that Boston is a different place today to do business.

9.) Set up an ongoing dialogue with employees, following up with the ones that have already participated in this process. Form a Team Building task force that has as its mission to develop a team approach to getting projects done, works out difficulties, identifies weaknesses in the process and makes ongoing recommendations as to how to implement a broad based team building strategy.

10.) Arrange for public and private sector brainstorming sessions each month through professional organizations to improve communication and to benefit from private sector business concepts.

Additional Opportunities for Action

The Economic Development and Housing Task Force spent many hours meeting to develop suggestions that are based on our numerous interviews and review of agency questionnaires. The following recommendations have been compiled here to help the new Chief Economic Development Officer develop a priority list of items that need to be addressed. This listing is assembled under subject headings that parallel functional areas of City government. This is not an all inclusive list of what needs to be done but it represents a menu of opportunities for action.

Human Resources:

- Encourage our college students to stay and be part of Boston's future. The City loses many students and young people to other cities upon graduation. This is particularly acute in the minority communities and affects all of our neighborhoods. This emerging leadership has to be identified, encouraged to be a part of Boston Team 2000, and be offered as a resource to our business community.
- Work more closely with "The Partnership" to develop a larger effort at retaining talented individuals.
- Create a resource pool of young, talented individuals, maybe in some type of Job and resource bank as a resource to emerging and existing businesses and the broader community.
- Market the City to our College graduates.
- Create a collegiate Team 2000 which will provide support and peer counseling for graduates who wish to take on leadership roles in Boston, rather than in other cities.

Asset Management

- One agency should be controlling the management of the City's buildings (not including public housing and parking lots). In this fashion, policies can be administered consistently and there is an economy of scale which will allow for cost savings.
- Asset management includes the maintenance (construction and repair) and protection (municipal police) of the City's assets.
- Review/revise foreclosed properties process to ensure consistency of policy in handling these properties across departmental lines.
- Review City liability on foreclosed property (e.g. condo fees, water & sewer, de-leading).
- Coordination of City's foreclosure policy; recommendations of the Task Force on foreclosed property disposition. Place all city divisions working on foreclosed property under one roof.
- Legislative change to allow the department to place and enforce liens on private property when action must be taken to protect public health and safety.
- Capital funds cannot be used for municipal buildings that are occupied by state agencies; policy should be reconsidered.
- Develop a preventive maintenance program for City structures.
- Include Real Property in with the "capital group" (e.g. BRA, PFD) in terms of capital funding requests.
- Development of a strategy for managing the current and future stock of foreclosed properties.

Citywide Issues

- Address the centralized functions in City Hall (e.g. purchasing, issuing of contracts, etc.); these delay projects from moving forward. Look at functions post-audit.
- Do not allow an individual to receive a benefit from the City (e.g. a permit) if not in compliance with an ordinance or owes back taxes. Do not allow the issuance of a development permit if the individual has a building cited for code violations. Need a device to administer this for example, a Memorandum of Understanding which provides operating guidelines.
- Development of City environmental and greenspace policies.
- Develop a single uniform database of property in the City for use by departments (e.g. Assessing, ISD, BFD, BPD, etc.).

Development/Planning

- Need a single point of initial contact for all development in the City.
- Focus use of a portion of City capital funds on the downtown development areas. Tie capital funds to improving economic growth and development.
- Build in anti-corruption conflict of interest guidelines and reporting for those dealing with development issues.
- Create a "one-stop" shopping approach for review of development projects; create a development facilitator function.
- Support study of circumferential transit for getting people to jobs.
- Expand training (technical) for staff to encourage professional development and retain employees .
- Expand program funding - many funding resources restrict usage to low income neighborhoods.
- Change to MGL Chapter 149 (Public Construction Law) to allow for selection of contractor based on performance and price criteria.
- Clarify City's position and discuss with State the siting of group homes for the mentally ill and homeless.
- Have the Boston Management Consortium intervene in the EDIC/BRA merger in terms of providing a mechanism for restructuring of the organization's internal direction.
- Restructuring of the BRA to focus more on planning.
- There should be design review guidelines for all design review. A tracking and time management program should be implemented for the design/development review process.
- Train staff to be project management oriented, where one person is responsible/accountable for a development.
- Merge BRA and EDIC policy and research departments.
- Preserve EDIC's ability to use its unique tools (e.g. issue bonds, negotiate Payment in Lieu of Taxes [PILOTs]).
- Streamline process for getting through disposition to receiving funds from PFD.
- Retain original PFD Asset Management functions within agency and put housing and community functions into appropriate agency.
- Use of "deemed approval" provision whereby if the City/Agency has not responded within a specified time period, the approval is deemed to be given. Need benchmarks; create specific time frames for different types of approvals.
- Hold simultaneous hearings of all the commissions at once to reduce the time period for approvals and to coordinate the City's response.
- Commit to redoing zoning code within the next six months using the IPOD as a basis.
- Zoning Board of Appeals needs to be reviewed; promote concept of hearing officer to clean up the process; meet weekly and/or hire another secretary to clear up the backlog.

- Ensure a stable set of ground rules which are administered fairly and consistently by the Zoning Board (these should be similar to the guidelines for design review). They should give the basic outline of the Board's role and responsibilities under the existing statute. The newly appointed members of the Zoning Board should be given a training program regarding their authority and responsibility.
- Transfer of foreclosed properties and viable properties being held by the Real Property and Public Facilities Departments to the appropriate agencies for development.

Housing

- Consolidate the various aspects of housing (development and maintenance) into one agency.
- Look for ways to increase home ownership opportunities, help to coordinate programs with banks and other agencies.
- Public housing should be viewed as a part of a neighborhood and therefore belongs at the table with economic development agencies.
- Support from the Menino Administration for development-based community policing deployment plan; seek sustained and serious commitment from the Boston Police Department in this effort.
- Develop community standards for public housing; support from the Menino Administration for improved tenant selection and expediting of the eviction process for problem tenants.
- Support from the Menino Administration for encouraging economic diversity within public housing communities.
- An inter-agency task force should be developed to coordinate services (e.g. public health and public education) at public housing developments.
- Passage of the Boston Fair Housing Commission Home Rule Petition (provides powers substantially equivalent to the Federal Title VIII laws).

Job Training/Employment

- Expand job training opportunities associated with "mega-projects".
- Boston Building Trades would like other labor agreements for City work (e.g. HUD projects as HUD accepts labor agreements). "Step-up Program."

Marketing

- Good sign age in City for tourists.
- Utilize Boston business people as a sales force to promote the City (e.g. commitment from senior business people and City officials to call peers to interest them in Boston).
- Establish a Business Resource Panel to review business issues and to work with businesses that are thinking of relocating elsewhere.
- Use magazines and billboards to promote what is already in Boston in a better fashion.
- Get the Mayor involved with the group of 22 arts/science institutions which meet periodically to discuss issues of common interest; establish a link between the City and the "arts" community.
- Designating "Honorary Bostonians"; "I am a Bostonian" buttons.
- Create a "Registry of Good Deeds" to periodically announce the good news which happens around the City.
- Create a promotional video of Boston.

Overall Organizational Structure

- Creation of effective inter/intradepartmental communications/coordination.
- Development of professional staff training.
- Develop measures to assess performance and accountability to public ("customers" of service).
- Job descriptions should be written to reflect their role of focusing on cooperation across agency lines and working on joint projects.
- Appoint one cross-agency team to recommend innovative management methods and processes, using the Task Force's report as a basis. This will provide employees with the opportunity to come together and to build a management system that they will be responsible to.

Regulatory/Compliance

- Codify exemptions under the Rent Equity Ordinance. Rewrite and clarify the language in the Rent Equity Ordinance.
- All the regulations and the regulators should be in one place (e.g. code enforcement, housing from BHA, lead paint, etc.).
- Establish a mechanism for enforcement of code violations (e.g. styled after a parking ticket with a fine associated with a violation) and have the Office of the Parking Clerk collect. See proposed Home Rule Petition developed by ISD. If utilized, the Office of the Parking Clerk should be renamed.
- Regulatory agencies (e.g. Rent Equity Board, Fair Housing Commission) need to be at the table when policies/projects are being developed.
- Demolition Delay Ordinance to ensure that the clearing of sites for projects or because building maintenance costs are too high does not lead to Boston having numerous vacant lots which owners may end up wanting to use as parking lots.
- Parking Freeze is/will be tough for development, particularly if a citywide freeze is enacted to meet requirements for air quality improvements. This should be promoted as a regional issue.
- Coordination of enforcement by City agencies against property owners (e.g. between ISD, Fire Department, Police Department, Rent Equity Board).

Rent Equity Issues

- Creation of a universal property database for use by the City departments.
- Upgrading of computer technology and provision of new technology (i.e. document imaging to reduce storage required for legal documents).
- Enforcement of registration of buildings (devise an enforcement policy for fee collection, i.e.. 60% delinquency fee).

Environment Issues

- Clean up the confusion of the Environment Department over its regulatory authority and line agency responsibilities.
- Mayoral support for the development of a citywide Preservation Action Plan.
- Restructure tax title/property disposition to limit the City from taking property with preexisting environmental hazards.
- Staffing shortage affects the work that can be done by the Air Pollution Control Commission, public information/outreach, proper delivery of services to the community and the timing/completion of projects.
- Bring the Environment and other review agencies in at the preliminary design phases of projects to expedite project delivery.

Appendices

1) Example of Los Angeles' Customer Service Approach

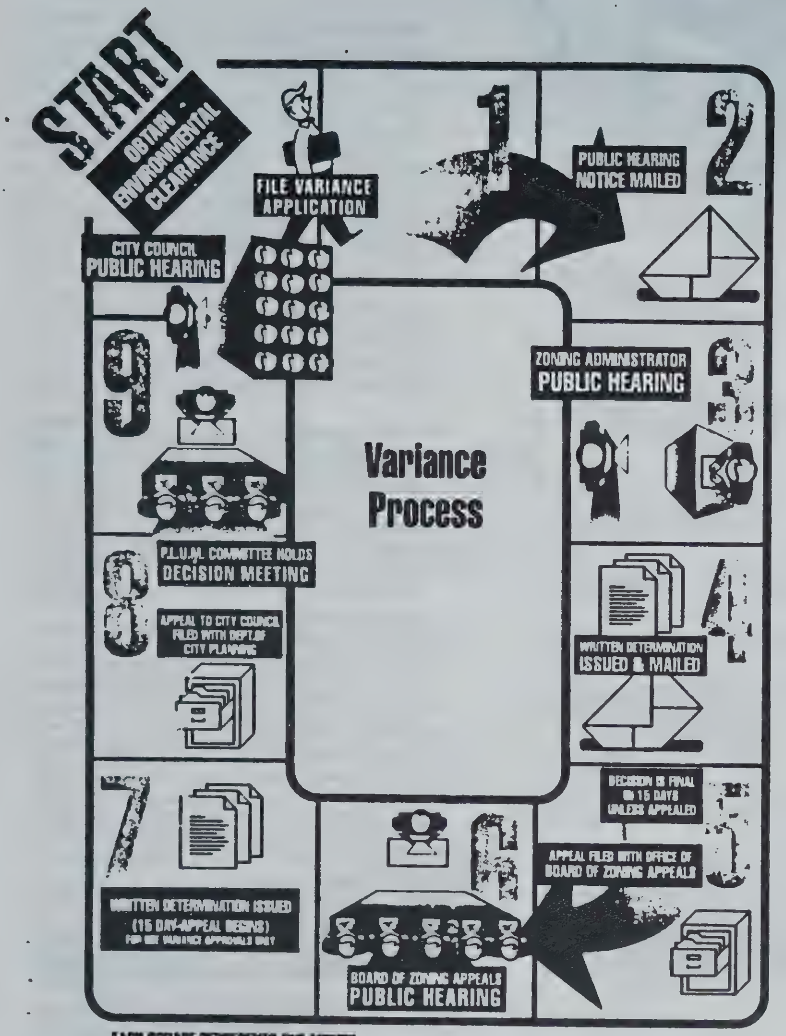
2) Examples of Other United States Cities' Marketing Efforts

3) Resource List

4) Mayor's Economic Advisory Council
   Baltimore, Maryland

5) Planning Department Organizational Chart
   City of Indianapolis

APPENDIX NO. 1


START
OBTAIN ENVIRONMENTAL CLEARANCE
FILE VARIANCE APPLICATION
1
PUBLIC HEARING NOTICE MAILED
2
ZONING ADMINISTRATOR PUBLIC HEARING
3
WRITTEN DETERMINATION ISSUED & MAILED
4
DECISION IS FINAL IN 15 DAYS UNLESS APPEALED
APPEAL FILED WITH OFFICE OF BOARD OF ZONING APPEALS
5
BOARD OF ZONING APPEALS PUBLIC HEARING
6
WRITTEN DETERMINATION ISSUED (15 DAY-APPEAL BEGINS) FOR USE VARIANCE APPROVALS ONLY
7
P.L.U.M. COMMITTEE HOLDS DECISION MEETING
APPEAL TO CITY COUNCIL FILED WITH DEPT. OF CITY PLANNING
8
CITY COUNCIL PUBLIC HEARING
9
Variance Process

EACH SQUARE REPRESENTS ONE MONTH

ONE IN A SERIES OF HELPFUL PAMPHLETS DEVELOPED FOR THE LOS ANGELES CITY PLANNING DEPARTMENT BY DANIELIAN • KATHERMAN • WOODS INC. AND BRUCE A. MILLER & ASSOCIATES

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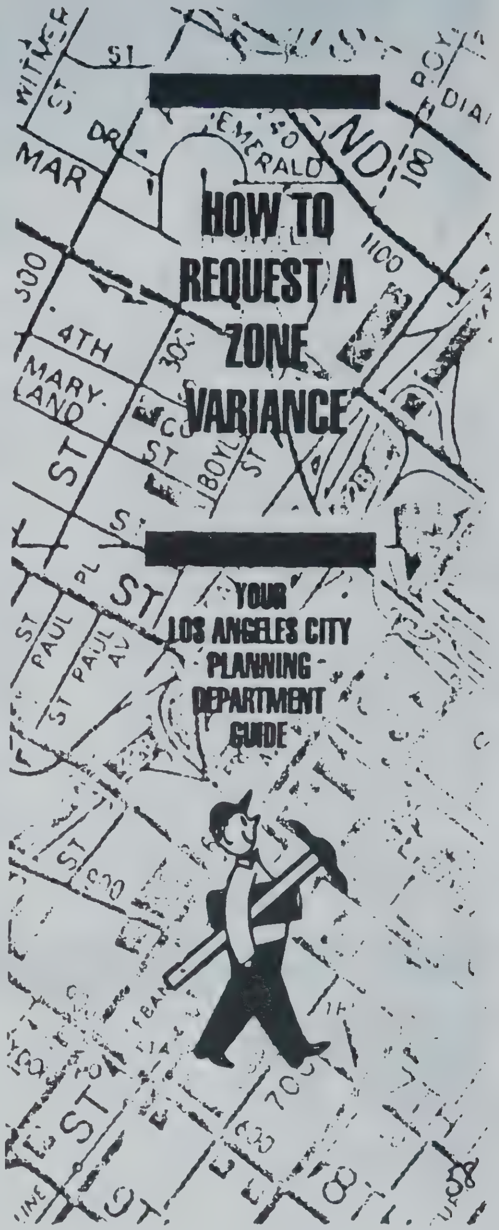
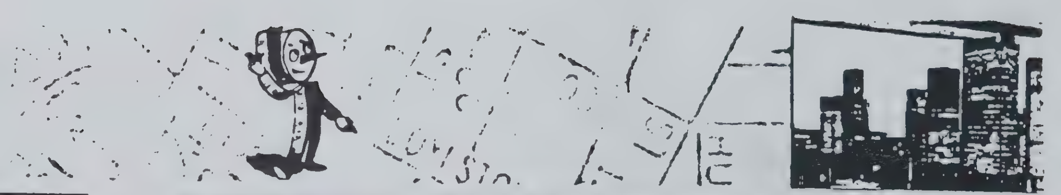


HOW TO REQUEST A ZONE VARIANCE

YOUR LOS ANGELES CITY PLANNING DEPARTMENT GUIDE



VARIANCE INTRODUCTION

The purpose of this guide is to provide information about the use variance and the height and area variance process.

A zoning administrator has the final authority to grant applications for use variances and height and area variances subject to certain City Charter/Municipal Code findings. These findings are contained in detail on the application forms and relate primarily to relief from hardship. The hardship must be upon the property and not a financial hardship upon the property owner. The hardship must also be caused by special physical circumstances or limitations relating to the land, such as its size, shape, topography, location or surroundings of the property that deny it the same development rights as the other properties in the vicinity. The purpose of the variance is to make the property in question equal to the surrounding properties and not to grant special privilege or permit a use that is inconsistent with other nearby properties.

All projects must have a California Environmental Quality Act (CEQA) review and clearance prior to filing the application. The environmental clearance can be a Categorical Exemption if it is on the listing of qualifying exemptions. A Negative Declaration or Mitigated Negative Declaration can also be recommended if found appropriate after an initial study has been performed. A project with major environmental consequences that cannot be mitigated will be required to prepare an Environmental Impact Report. (Please refer to the Environmental Review Pamphlet for additional information.)

Variance applications are set for a public hearing before a Zoning Administrator where applicants and other interested persons can testify on all aspects of the project. After the public hearing, the Zoning Administrator will render a decision and notify interested persons in writing. Applications that are approved will be subject to protective conditions. The decision becomes final 15 days after mailing unless an appeal is filed with the Board of Zoning Appeals. Certain decisions of the Board of Zoning Appeals can be further appealed to the City Council. There is no refund on completed approved applications or applications that have been disapproved.

The Zoning Administrator does not hold private meetings on applications or issue advisory opinions on the likelihood of project approval. Project outcome depends on a variety of factors such as conformity to all charter/code required findings, environmental considerations, impact on adjoining properties, public input both at the public hearing and in writing, and recommendations from other divisions of the Planning Department and other City Agencies.

VARIANCE FILING REQUIREMENTS

1. *Environmental Clearance*
   (see Environmental Review Pamphlet)
2. *Completed Variance Application*
3. *Radius Map*
4. *Property Owners' and Tenants' List*
5. *Abutting Property Owners' List*
6. *Photographs of property*
7. *Plot Plan*
8. *Copy of District Map*
9. *Proof of Ownership or Copy of Lease*
   (if required)
10. *Neighbors Signatures (optional)*
11. *Filing Fee*

VARIANCE PROCESS DEFINITIONS

☐ **Appeal** A request to review and reconsider a determination that has already been heard by one of the City's Planning Department Hearing Examiners, Zoning Administrators or other decision making boards.

☐ **Board of Zoning Appeals** A citizen board that has been appointed by the Mayor to preside over public hearings on appeal of decisions by the Zoning Administrator and Advisory Agency decisions on Parcel Map and private street applications. The Board will hear the issue, evaluate testimony and render a decision.

☐ **Community Plan** The City of Los Angeles is divided into 35 Communities for the purpose of designing land use policy to address issues familiar to a geographic location. Each Community Plan is a document for guiding the future development and is based upon the stated long-term goals and objectives of a community. Such a plan is the result of existing physical, economic, environmental, and social conditions and is a projection of what future conditions are likely to be.

☐ **Environmental Clearance** *Please refer to Environmental Review Pamphlet*

☐ **General Plan** A General Plan is a comprehensive declaration of purposes, policies and programs for the development of the city, which includes, where applicable, diagrams, maps and text setting forth objectives, principles, standards and other features, and which has been adopted by the City Council.

☐ **Planning and Land Use Management Committee (P.L.U.M.)** A committee made up of three members of the City Council. This committee acts on all planning matters and sends recommendations to the full City Council.

☐ **Plot Plan/Site Plan** A fully dimensioned scale drawing or map showing proposed uses and structures for a parcel of land as required by the applicable regulations. It includes lot lines, lot area, streets, parking spaces, private roadways, walkways, topographic features, reserved open space, buildings and other structures, major landscape features, and the location of proposed utility easements.

☐ **Property Owners' and Tenants' List** A list of names and mailing addresses of property owners and tenants surrounding a proposed development or change in land use who may potentially be impacted by this proposed change of land use or development.

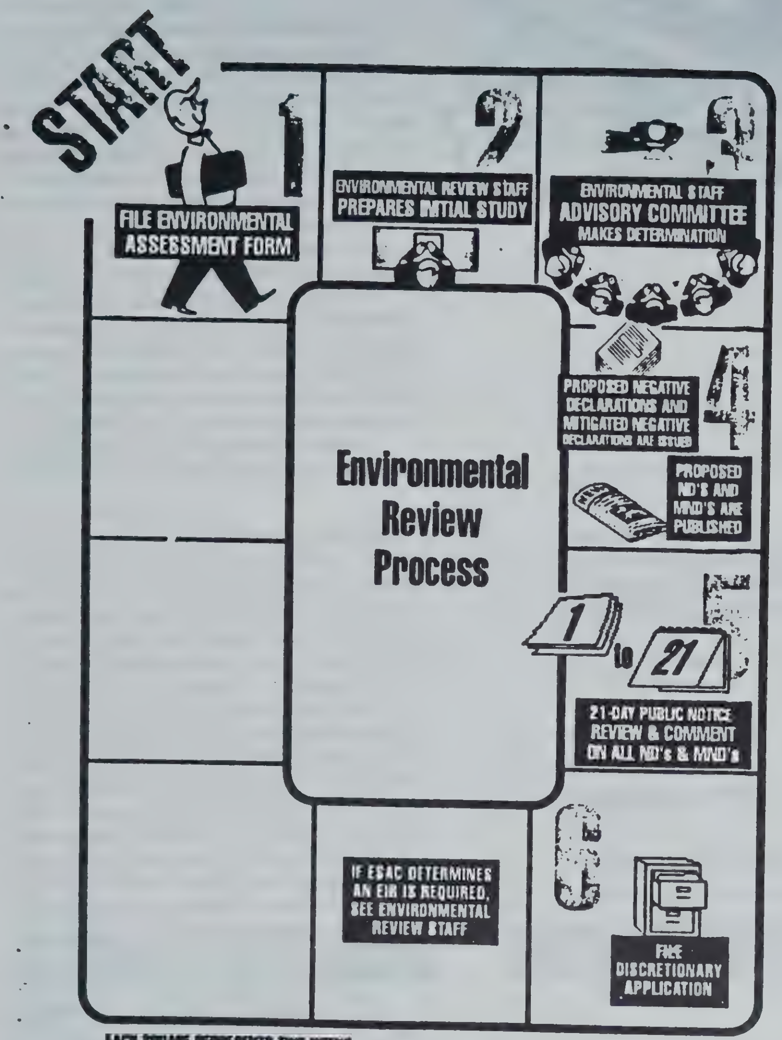
☐ **Radius Map** A map showing lots, zoning, streets,
of way width, and land use for a given area surroun
a proposed project. Further instructions for the prep
tion of such a map can be obtained from the City Planning Department's Public Counter.

☐ **Variance** A variance is a deviation from the terms
zoning ordinance in order to avoid unnecessary har
ships to a landowner. The variance mechanism is to
used when the particular physical surroundings, sha
the property, or topographic conditions render strict compliance with the zoning ordinance impractical.
granting a variance a Zoning Administrator shall imp
conditions which are necessary to protect the public health, safety or welfare, and assure compliance wit
objectives of the General Plan and the purpose and i
of the zoning ordinance.

☐ **Vicinity Map** A vicinity map is typically a photocop
a standard street map with the project area highlight

☐ **Zoning** The city of Los Angeles has been empowere
the state to create designations for each parcel of pr
ty within the city to regulate the use of property. The
designations are called zones. Each zone regulates t
use allowed on that specific parcel. These regulation
govern lot size, building bulk, placement and other d
opment standards. Please refer to the City's zoning
mary for a complete list of zones and allowable uses

☐ **Zoning Administrator** A quasi judicial officer of the
who is empowered to make final decisions on discretionary land use requests.


START
1
FILE ENVIRONMENTAL ASSESSMENT FORM
2
ENVIRONMENTAL REVIEW STAFF PREPARES INITIAL STUDY
3
ENVIRONMENTAL STAFF ADVISORY COMMITTEE MAKES DETERMINATION
4
PROPOSED NEGATIVE DECLARATIONS AND MITIGATED NEGATIVE DECLARATIONS ARE ISSUED
PROPOSED ND'S AND MND'S ARE PUBLISHED
5
1 to 21
21-DAY PUBLIC NOTICE REVIEW & COMMENT ON ALL ND's & MND's
6
FILE DISCRETIONARY APPLICATION
IF ESAC DETERMINES AN EIR IS REQUIRED, SEE ENVIRONMENTAL REVIEW STAFF
Environmental Review Process

EACH SQUARE REPRESENTS TWO WEEKS

ONE IN A SERIES OF HELPFUL PAMPHLETS DEVELOPED FOR THE LOS ANGELES CITY PLANNING DEPARTMENT BY BANDELMAN • KATHERMAN • WOODS INC. AND BRUCE A. MILLER & ASSOCIATES

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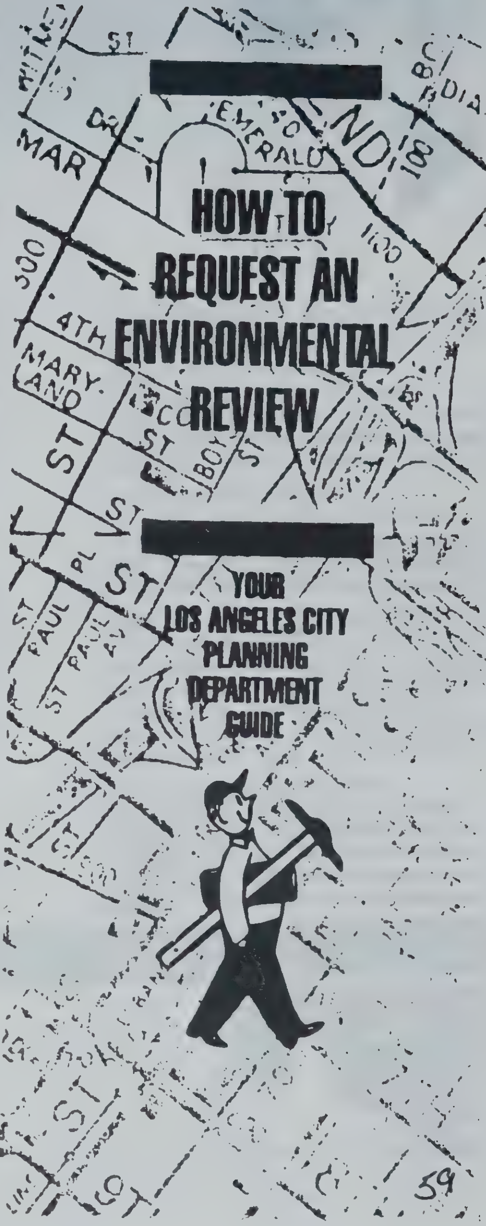
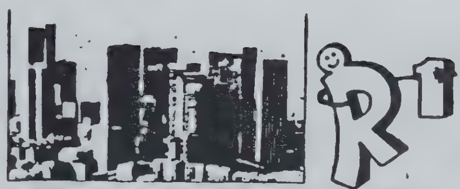


HOW TO REQUEST AN ENVIRONMENTAL REVIEW

YOUR
LOS ANGELES CITY
PLANNING
DEPARTMENT
GUIDE



ENVIRONMENTAL REVIEW INTRODUCTION

A project application which requires Planning Department discretionary review is subject to State and City California Environmental Quality Act (CEQA) guidelines for environmental review. If your project is a commercial/industrial development with more than 15,000 square feet, or a residential project having more than 35 dwelling units or guest rooms, or a project which generates more than 500 trips, you will be required to file an Environmental Assessment Form prior to filing any of the other necessary applications except Site Plan Review applications. Consult with City Staff for other circumstances where environmental clearance is required. If your project is within a class of projects determined not to have a significant effect on the environment, it may be Categorically Exempt *(consult with planning staff to make this determination)*. Once a Categorical Exemption is issued you may proceed with filing the other necessary applications.

After you submit an Environmental Assessment Form with the City Planning Department along with the required exhibits and fees, the City will perform an Initial Study analyzing the potential significant environmental impacts of the project. This Initial Study is then presented to the Planning Department Environmental Staff Advisory Committee (ESAC) to determine the type of environmental clearance proposed for certification by the decision maker(s). This clearance may be in the form of a Negative Declaration (ND), Mitigated Negative Declaration (MND), or an Environmental Impact Report (EIR). If a Negative Declaration or a Mitigated Negative Declaration is issued then a minimum 21-day public notice, review and comment period is required prior to approving the application for the project. If it is determined that the implementation of your project may have significant impacts on the environment then an Environmental Impact Report will be required to evaluate these impacts. Please consult with the City Planning Department Environmental Review Section staff for the processing requirements for Environmental Impact Reports.

ENVIRONMENTAL REVIEW APPLICATION REQUIREMENTS

1. *Completed Environmental Assessment Form, signed and notarized*
2. *Vicinity Maps (2 copies)*
3. *Radius Maps (2 copies)*
4. *Plot Plans (2 copies)*
5. *Copy of application for which Environmental Clearance is required*
   (Site Plan Review, Conditional Use, Zone Change, Zone Variance, General Plan Amendment/Zone Change etc.)
6. *Pictures of the project site (2 or more)*
7. *Required filing fee*

ENVIRONMENTAL REVIEW PROCESS DEFINITIONS

☐ **California Environmental Quality Act (CEQA)** Statute enacted by State legislature chiefly conceived to force public agency decision makers to document and consider the environmental implications of their actions.

☐ **Categorical Exemption**: A Categorical Exemption is an exemption from the requirements of California Environmental Quality Act based on a finding by the Secretary of the State Resources Agency and the Los Angeles City Council that certain types of projects do not have a significant effect on the environment.

☐ **Environmental Assessment Form (EAF)**: An environmental form submitted to the Environmental Review Section of the City Planning Department which provides the necessary information to determine the recommended environmental clearance for projects requiring any discretionary action.

☐ **Environmental Impact Report (EIR)**: An EIR is a comprehensive informational document prepared in accordance with State and City Guidelines for the Implementation of the California Environmental Quality Act which evaluates the environmental impacts of a proposed project.

☐ **Environmental Staff Advisory Committee (ESAC)**: The ESAC is a committee which acts in an advisory capacity to the staff and decision-maker. The ESAC reviews the Initial study prepared by staff and determines the type of environmental clearance proposed for certification. The committee does not certify the environmental clearance; certification is under the jurisdiction of the decision-maker(s).

☐ **Initial Study**. An Initial Study is a comprehensive analysis conducted by City staff to determine whether a project may have a significant effect on the environment.

☐ **Mitigated Negative Declaration (MND)**: When it is concluded that significant impacts may occur as a result of the implementation of your project but conditions could be imposed to insure any possible negative impacts are mitigated then a mitigated negative declaration is issued with conditions attached. The decision must then be published and a minimum of 21-day public notice, review, and comment period is required.

☐ **Negative Declaration** During the Environmental Rev
Process, if it is determined that a project will not to ha
a significant effect on the environment then a Negative
Declaration will be proposed. The decision must then
published and a minimum of 21-day public notice,
review, and comment period is required.

☐ **Plot Plan/Site Plan**: A fully dimensioned scale drawin
or map showing proposed uses and structures for a pa
of land as required by the applicable regulations. It
includes lot lines, lot area, streets, parking spaces, priv
roadways, walkways, topographic features, reserved op
space, buildings and other structures, major landscape
features, and the location of proposed utility easements

☐ **Property Owners' and Tenants' List**: A list of names
mailing addresses of property owners and tenants su
rounding a proposed development or change in land u
who may potentially be impacted by this proposed
change of land use or development.

☐ **Radius Map**: A map showing lots, zoning, streets, rig
of way width, and land use for a given area surroundin
a proposed project. Further instructions for the prepar
tion of such a map can be obtained from the City
Planning Department's Public Counter.

☐ **Vicinity Map**: A vicinity map is typically a photocopy
a standard street map with the project area highlighted

APPENDIX NO. 2

Let's plan to make a great city better

by Mayor Steve Bartlett

Dallas in the year 2025 seems far away. Yet we make decisions every day that are shaping our long-range future. Meanwhile, powerful global economic and technological trends are already affecting how we live, work and play. And we can expect these outside forces to continue to influence our future lives.

We in Dallas have the opportunity to anticipate and welcome change, and to move ahead with energetic confidence. We must seize this opportunity and thoughtfully plan our future, or someone else will do it for us. The Dallas Plan offers us a way to exert maximum influence over our destiny.

Past planning efforts in Dallas offer case studies of the impact of determined and focused leadership. In the early 1900's, the Kessler Plan outlined directions for growth and set systems in motion which greatly affected Dallas' evolution. Goals for Dallas had some of the same city-shaping impact in the 1960's. The Dallas Plan has similar potential to help our city adopt and advance a strategic agenda. When it comes to housing, economic development, transportation and open space, the city should drive forward progress, not merely be a follower.

The 1993 Dallas City Council (seated left to right) Max Wells, Glenn Box, Charlotte Mayes, Mayor Steve Bartlett, Domingo Garcia, Paul Fielding, Donna Halsted, (standing left to right) Craig McDaniel, Barbara Mallory, Larry Duncan, Donna Blumer, Bob Stimson, Sandra Crenshaw, Chris Luna and Don Hicks.

And positive forward progress is what The Dallas Plan is all about. Consider some of the specific possibilities for our future:

- Dallas as a global powerhouse, growing in stature with cross-border trade and strategic economic development initiatives;
- A transformed central area, with the 250,000 people working there walking from nearby residential areas or arriving by easily accessible public transit;
- Vibrant neighborhoods with enhanced identities and a substantially improved quality of life;
- A model school system, restructured and performance-based, with radically different systems of accountability;
- The best open space system in urban America, a product of city-county cooperation focused on an ambitious new Trinity recreation area;
- Greater social equity and harmony than ever anticipated in the City of Dallas.

This type of future is indeed possible and can be achieved if we share our values and extend our horizons. Once the city focuses on what it wants to do and how to pay for it, the steps to make The Dallas Plan a reality can be put in place.

By adopting and implementing The Dallas Plan, our city can define its agenda, seize a leadership role and then act as an investor in the future of Dallas.

Dallas can embark on a 30-year success story for one basic reason. We have much more to gain from working together — both within the city and with our neighbors — than from any other option. We have the potential and certainly the ability to create a city that is a great place to live, work and play and that is the envy of the nation. I am proud to be a part of this exciting initiative which is helping to chart Dallas' future.

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How Dallas feels about the future ...5

THE DALLAS PLAN FRAMEWORK
Neighborhoods 6

Help shape Dallas' future

By Robert Hoffman

In August 1992, the Dallas City Council unanimously passed a resolution which authorized the creation of The Dallas Plan. Although planning for

ship necessary to translate plans into reality. Finally, many citizens indicated that they would be willing to pay for new public improvements — if there were a credible program presented that

basic services like streets and drainage. Everything that could or should be done in the next 30 years is not included. The ideas contained suggest that the city direct its long-term

What's different about The Dallas Plan

When the City Council authorized The Dallas Plan last year, it set in motion a program unlike any other in a major American city. Focused on capital improvement priorities, the effort has entailed a broad look at the city's future. What is emerging is a whole new way of thinking about and deciding on the direction Dallas should take over the next 30 years.

We should be clear about what The Dallas Plan will not be:

- A fixed blueprint, which would be a static image that soon finds itself obsolete;
- Simply a new planning structure, which would put process before policy and inevitably get immersed in a bureaucratic morass;
- Short-term planning procedures, where tomorrow's needs are not anticipated in today's decisions.

The Dallas Plan is seeking a new way of doing city business, one directed toward clear goals and specific action policies, each considered within a comprehensive long-range framework. The byword is investment – articulating a vision and charting steps with defined costs and benefits that will move the city in exactly the direction it wishes to go. The competitiveness of any city is determined by how it invests in itself – whether in its people through education and training, or through the capital improvements and infrastructure built by government.

The long-range goals adopted by the City Council for The Dallas Plan are straightforward: economic opportunity and jobs; tax-base and tax-revenues; and quality of life. Each is a defining yardstick.

Five evaluation criteria have been adopted to help develop policy and set project priorities. Within The Dallas Plan Framework, future city actions will be measured by how they move Dallas toward the ideals expressed in these evaluation criteria:

The Competitive City: Dallas is sought after as a place in which to live, work, play and invest, with quality public education and safe public environments. The city is the center of the region and plays an enhanced role in the global economy. Neighborhoods are affordable and convenient, with a clear sense of community. Dallas is attractive to business, visitors and residents alike.

The Accessible City: Dallas' core assets, commercial areas and neighborhoods are linked and interconnected to each other. Citizens can reach these destinations with limited effort. Dallas is linked physically and electronically to other key areas in the region, nation and the world.

The Manageable City: Citizens and policy makers can comprehend the dynamics of the city and work together in making sound decisions. The city's processes are well-defined and widely understood. Change is expected and readily dealt with. Government efficiency is balanced with strategic initiatives.

The Equitable City: The resources of the city are deployed fairly across all geographic and social segments of Dallas, according to the needs of its citizens. Individual opportunity and access to jobs and education are widely available.

The Identifiable City: Dallas has a distinctive physical character in and about the city, with bold vistas, a commitment to good design and quality planning. All residents feel part of a common place and are physically connected to each other.

The Dallas Plan represents an integrated economic, social, political, and physical approach. It is being fully discussed through an extensive community workshop program. This has led to considerable public involvement in the planning process. At the same time, citywide and regional growth dynamics have been emphasized. Every effort is being made to fully understand the city's overall situation, especially in terms of major national and global economic and technological trends.

Finally, the relationship established between city government and the non-profit team that is conducting The Dallas Plan is unique and has been unusually productive. The planning process has been a partnership involving regular interaction with Council members and city staff. When combined with the extensive community involvement, it is clear that The Dallas Plan will represent the ideas and thinking of a broad range of Dallas' leaders and residents, and that this will be a key factor in carrying out the proposals in the years to come.

The Dallas Plan - Milestones

August 1992
The Dallas City Council creates The Dallas Plan by unanimous resolution

January 1993
Chairman Robert Hoffman assembles a consulting team comprised of local and national experts. Research begins.

March - May 1993
Over 100 community meetings are held throughout the city. All participants respond to the same set of questions about their priorities, beliefs and values.

May 1993
City Council discusses results of community meetings and basic principles of plan development. Council learned that citizens uniformly expressed "dissatisfaction with the status quo," yet were confident positive changes could occur.

June 1993
City Council considered three models for city behavior and planning – "a Well-Managed City," "City as Partnership," and "City as an Investor in its Future."

June 1993
Council selects "City as Investor" model for planning after briefing on regional growth dynamics and assess-

A Force for Regional Cooperation and Marketing

Since 1984, the Greater Philadelphia Economic Development Coalition has served as the catalyst for the region's private sector to attract and retain businesses and to market the attributes of Southeastern Pennsylvania.

By linking more than 200 private and public sector leaders in Bucks, Chester, Delaware, Montgomery and Philadelphia Counties, the Coalition has created a partnership in which business brings together government and community organizations to improve the region's business climate and economic vitality.

The Greater Philadelphia Economic Development Coalition is the only organization of its kind which spans all five counties . . . markets the resources of the region . . . links the private and public sectors . . . builds consensus . . . and fosters regional economic development.

Greater Philadelphia Economic Development Coalition

- ☐ Aggressively marketing Greater Philadelphia as a great place to do business
- ☐ Attracting new businesses to the region
- ☐ Retaining businesses in the region and promoting their expansion
- ☐ Assisting in neighborhood economic development
- ☐ Strengthening regional public and private sector cooperation
- ☐ Monitoring the environment for the growth of new ventures, technology and scientific research
- ☐ Maintaining a comprehensive Regional Database for the region

For more information, please contact:

GREATER
PHILADELPHIA
ECONOMIC
DEVELOPMENT
COALITION

1818 Market Street
Suite 3510
Philadelphia, PA 19103-3681
(215) 575-2230
Fax: (215) 575-2222

Creating a Dynamic Environment for Business

The Coalition, privately funded by Greater Philadelphia First, works aggressively to attract businesses to the region, encourages local companies to expand, supports the start-up and growth of new ventures, and promotes neighborhood business investment.

Through a wide range of programs, the Coalition strives to create a fertile business environment and new employment opportunities.

"The Coalition provides a single point of contact for the entire Greater Philadelphia region. This is extremely valuable to us as business location consultants, who draw on local sources to provide our clients with reliable and detailed factual information on various communities."

Gene DePrez, Vice President and Principal
PHH / Fantus Corporation
New York, NY and Florham Park, NJ

Marketing the Region

The Coalition's mission includes a strong marketing component. Working closely with corporate leaders, utilities and economic development agencies, the Coalition creates and maintains focused marketing initiatives designed to spark business investment in the region.

Through its Board of Directors, the Marketing and Attraction Committee, and Business Attraction Teams, the Coalition targets companies for relocation and expansion in Greater Philadelphia.

The Coalition links area CEOs with corporate executives considering Greater Philadelphia, provides a wide range of vital information to corporate decision-makers and relocation consultants, participates in targeted industry trade shows and conducts an on-going public relations campaign.

"The Greater Philadelphia Economic Development Coalition has served as a useful information source and provided insight into the latest trends affecting economic development in Southeastern Pennsylvania."

Alison Gillespie, Senior Writer
Business Facilities

Working within the Region

The Board of Directors, committee members and staff also are committed to encouraging regional economic growth and enhancing the quality of life by facilitating the retention and expansion of businesses that are here.

For example, the Coalition seeks new ways to leverage private sector investment in neighborhoods for business growth through its Neighborhood Enterprise Committee. And, it serves as a resource for new ventures, high technology and biotechnology companies, and promotes scientific and medical research and development.

The Coalition also provides a forum for local elected officials to share their views and cooperatively focus on issues which affect the entire region — such as transportation, the work force, and education and training. Special Coalition task forces and committees analyze key issues and recommend strategies to address them.

"The Coalition was useful in providing information which influenced our decision to relocate in Greater Philadelphia. Not only was the Coalition an important resource for demographic and tax structure information before our move, they continue to serve as an information resource on the region now that we're here."

Gail Houy, Assistant General Manager
Island Offset
King of Prussia, PA

"We found the Coalition very helpful in giving us background on the Greater Philadelphia economy. The Coalition's Regional Database put a wealth of information, such as a list of regional employers, population figures and other statistics at our fingertips."

Lisa Wiersma, Planning Analyst
Tribune Broadcasting Company
Chicago, IL

Providing Essential Data

The Coalition has compiled and maintains a comprehensive Regional Database, offering vital information for clients, corporate executives, the media, economic development professionals and relocation consultants.

The Regional Database includes more than 400 tables, charts and graphs on a broad spectrum of subjects related to regional economic development and growth. Information ranges from demographic profiles and labor market statistics to comparative indices on housing prices and the cost of doing business.

The Regional Database also provides snapshots of major industries in the region, such as health care, pharmaceuticals, chemicals and advanced materials.

"In conducting our preliminary research on the Greater Philadelphia region, the Coalition put us in touch with the best combination of companies and educational institutions and gave us direct access to them. We employ a unique approach and the Coalition ensured we could 'do it our way.'"

William T. Flynn, III, Senior Vice President
Strategic Planning & Analysis
USAA
San Antonio, TX

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elaware County Council
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hiladelphia Chinatown Development Corp

A Message from the Chairman and the Executive Director

The Greater Philadelphia Economic Development Coalition served as a vital force in the regional business community during 1993 by sustaining our unique mission: to market the region, attract and retain business, advance regional cooperation and promote neighborhood economic development.

Regional cooperation continued to underscore our initiatives during 1993. In this report you will see how regional cooperation and partnerships led to significant accomplishments, particularly in the area of image enhancement. Our image as a progressive and innovative region — widely communicated during 1993 — will help our continuing efforts to attract, retain and grow new businesses.

We are grateful to Greater Philadelphia First for its financial support. We also recognize and thank our Board of Directors, Regional Elected Officials and the more than 150 individual volunteers from the private and public sectors who made our collective accomplishments possible. In particular, we appreciate the financial support of the counties in our region — Bucks, Camden, Chester, Delaware, Montgomery and Philadelphia — as well as the Pennsylvania Department of Commerce and state legislators. Our partnerships will present exciting new opportunities for regional growth in 1994. We welcome your continued involvement in furthering the region's business initiatives.

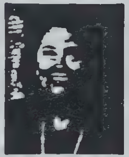
Walter D'Alessio
M. Walter D'Alessio
Chairman

Lynn Martin Haskin
Lynn Martin Haskin, Ph.D.
Executive Director

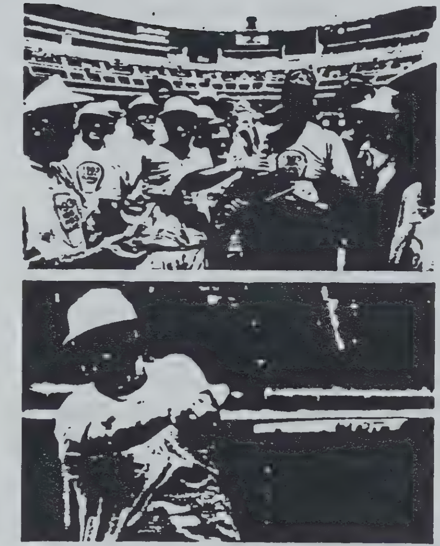
M. Walter D'Alessio
Chairman

Kenneth D. Hill
Vice Chairman

Claire W. Gargalli
Secretary/Treasurer


Lynn Martin Haskin, Ph.D.
Executive Director

PARTNERSHIPS WITH THE PUBLIC SECTOR


The city's team captain, Mayor Ed Rendell, accepts the winner's trophy from suburban team captains, Mario Mele (Montgomery County), Alan Rubenstein (Bucks County) and Karen Martynick (Chester County), following the city's victory in the annual Coalition-sponsored "URBS/BURBS" softball contest (above.) Philadelphia Phillies President Bill Giles, a member of the Coalition's Board of Directors, helped in the URBS team's winning effort (below.)

Meetings the regional elected officials convened with the Coalition have led to a new spirit of cooperation and partnership among them.

During 1993, the chairmen of the commissions/councils in Bucks, Chester, Delaware and Montgomery Counties, the freeholder director of Camden County, and the mayor of Philadelphia supported the Coalition's program in a variety of ways:

- The regional elected officials in Bucks, Camden, Chester, Delaware, Montgomery and Philadelphia Counties took a leadership role by serving as Board Directors of the Greater Philadelphia Film Office, which they funded.

- The regional elected officials in Pennsylvania also continued to fund the Coalition's regional public relations program, which helps generate coverage in the national business press.

- Quarterly meetings were held under the auspices of the Coalition to discuss a variety of region-wide issues, including transportation, infrastructure, health care and marketing.

- Major Coalition marketing initiatives, including the visit by *Fortune* magazine and publicity during the World Series, involved the participation of the elected officials.

- The annual "URBS/BURBS" softball game in August 1993 pitted the elected officials of the suburban counties against the city and generated significant local publicity. Philadelphia recaptured the trophy by winning the contest, 19 - 7.

PARTNERSHIPS TO MARKET THE REGION

"The Coalition's Marketing and Attraction Committee focuses on two key ingredients — business development and attraction and image enhancement — in its program to market the region. The accomplishments in these areas are the direct result of participation and dedication of many private sector representatives."

— Robert J. Hall
Philadelphia Inquirer and Daily News
Chairman, Marketing and Attraction Committee

Among the highlights for 1993:

- The Coalition developed 43 prospects, attracted three businesses and assisted the start-up or expansion of four businesses in the region.

- A comprehensive direct marketing program included the development of a list of 900 biotechnology executives and relocation consultants. During the year, they received reprints of the *Business Week* "Hot Spots" article about the region's "Medical Mile," the *Genetic Engineering News* article profiling the region's biotechnology strengths, "The Greater Philadelphia Story" image book produced by the Coalition and the Executive Summary produced by Greater Philadelphia First.

- In the area of image enhancement, the Greater Philadelphia Film Office exceeded its goals for the year, with seven feature films attracted, two of which were shot on location during 1993. In addition, the Film Office secured 30 television productions, 85 commercials and 32 music or industrial videos. "Two Bits," a $20 million production, was filmed over seven weeks and completed on time and within budget on September 10. "Civil Defense" began filming on October 15, with the basement of City Hall as the primary location. And "Philadelphia," the critically acclaimed film directed by Jonathan Demme in 1993, premiered in Philadelphia on December 17.

- The Coalition's regional public relations program placed 12 articles about the region in the national, trade and regional media. Key placements included the *Fortune* ranking of Greater Philadelphia as one of the top ten regions for business innovation, an in-depth article in *Genetic Engineering News* on the region's biotechnology strengths and a feature in *Plants Sites & Parks* about the region's business/education linkages.

- The *Fortune* ranking resulted from an intensive effort by the Coalition to encourage the business community to respond to the magazine's executive survey. In addition, the Coalition provided data about the region to Moran, Stahl & Boyer, the national relocation consulting firm compiling information for *Fortune*. When notified that Philadelphia made the top ten listing, the Coalition hosted Jackie Graves, a *Fortune* writer, for two days of meetings with many private- and public-sector leaders. The Coalition also hosted a reception of business leaders to celebrate the ranking.

- The 1993 World Series showcasing the Phillies' National League championship team provided a special opportunity to reach national and international media. The Coalition convened a team of volunteers from the Marketing and Attraction Committee who helped organize an exclusive luncheon reception featuring Phillies President Bill Giles for the visiting sports press.

Other speakers at the luncheon held at the Franklin Institute included Mayor Edward G. Rendell, Franklin Institute Chairman Charles L. Andes and Robert J. Hall, Chairman of the Marketing and Attraction Committee.

All visiting media also received a press kit highlighting the region's attributes. The Coalition's efforts resulted in various mentions, including a major story on Philadelphia aired nationally over the Canadian Broadcasting Corporation network.

- Two industry-specific groups within the Marketing and Attraction Committee — the Bio-Medical/Pharmaceutical Business Attraction and Distributive Services Business Attraction Teams — focused on opportunities to promote the region's strengths in these sectors.

The Bio-Med Business Attraction Team spearheaded the development of the first "Resource Guide for Entrepreneurs in Greater Philadelphia." The Guide, which will be applicable to all growth industries, will provide entrepreneurs, researchers and inventors with a directory of resources available to them in Greater Philadelphia. It will also include case studies of successful new ventures and overviews of innovative research or technology-based applications at regional universities, research institutions and companies.

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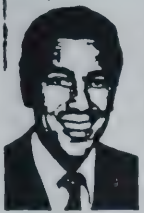
PHILADELPHIA

The Greater Philadelphia Film Office attracted the two major films shot in the region during 1993, including "Two Bits" (above), shot on location in South Philadelphia, and "Philadelphia" (below), which premiered on December 17.

PARTNERSHIPS TO FOSTER NEW VENTURES



"The New Ventures Task Force enables the Coalition to create a positive environment for emerging companies and technology, helping them become high-growth businesses."

Victor V. Coppola
Coopers & Lybrand
Chairman, New Ventures Task Force

Among the highlights in 1993:

- The Task Force met quarterly to monitor the climate for new ventures and share information about developments in its members' respective organizations.

Participating groups included the Ben Franklin Technology Center, the Delaware Valley Venture Group, the Delaware Valley Industrial Resource Center, the Technology Council of Greater Philadelphia, the Pennsylvania Innovation Network, the RDC Institute, the University City Science Center, the Wharton Small Business Development Center, the Philadelphia Industrial Development Corporation, the Philadelphia Department of Commerce and the START Technology Partnership.

- The START Technology Partnership, sponsored in part by the Coalition, announced its first six technology disclosures. START's role is to augment the commercialization of technologies being developed by its sponsoring universities and research institutions in the region. The New Ventures Task Force assisted START in publicizing the new technology disclosures to the national business media.

PARTNERSHIPS WITH OUR NEIGHBORHOODS

"The Coalition believes that job creation and retention in neighborhoods are critical elements of the region's economic development. For this reason, our Neighborhood Enterprise Committee works to foster linkages between private sector resources and community based initiatives."

Kenneth D. Hill
The Sun Company, Inc.
Chairman, Neighborhood Enterprise Committee

Among the highlights during 1993:

- Through its Campus Boulevard Corporation Business Incubator Project, the Neighborhood Enterprise Committee is working with various area hospitals and universities to target the development of neighborhood-based firms and provide for worker training. These firms will serve the hospital market and create jobs in the community.
- The Neighborhood Enterprise Committee and the Philadelphia Development Partnership combined their resources to substantially increase job creation activities in a number of communities.
- The Neighborhood Enterprise Committee is working with the Allegheny West Foundation and the Hunting Park Business Association to create a for-profit company. Employing neighborhood residents, the company will provide a variety of services to the area business community, including landscaping, window washing, security and maintenance and repair work.

MARKETING AND ATTRACTION COMMITTEE

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The Philadelphia Inquirer and Daily News

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Philadelphia Gas Works

Marc A. Brownstein
The Brownstein Group

Gregory R. Byrnes
PECO Energy Co.

Mary Carroll

Harvey Clark
City Representative's Office

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Greater Philadelphia First

Burtan Aka Collier

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Bucks County Industrial Development Corp.

Anne G. Cowburn
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Philadelphia Surburban Company

Paul R. Decker
Valley Forge Convention & Visitors Bureau

Fred Dedrick
Greater Philadelphia International Network

Allan Domb
Allan Domb Real Estate

Lori Doyle
University of Pennsylvania Medical Center

Charles Fancher
The Philadelphia Inquirer and Daily News

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Sandra L. Garz
PECO Energy Co.

Robert Gero
Fox, Rothschild, O'Brien & Frankel

William Y. Giles
Philadelphia Phillies

Mary G. Gregg
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William P. Hanowsky
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Raymond Heinzelmann
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Lyn Kremer
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Faye Olivieri
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Donna Phillips
PECO Energy Co.

Sharon Pinkenson
Greater Philadelphia Film Office

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Frank E. Reed
CoreStates Philadelphia National Bank

Ed Shapson
Elkman Advertising & Public Relations

Marciarose Shestack

Bernadette Shine
Weichert Relocation

R.C. Staab
Philadelphia Convention & Visitors Bureau

Rebecca T. Stoloff
Foundation for Architecture

Sheldon Thompson
The Sun Company, Inc.

Norman Tissian
Earle Palmer Brown & Spiro

Mark Viggiano
PhilaPride, Inc.

David Wechsler
International Commodities

David Weiner
University of Pennsylvania

Gilbert A. Wetzel
Business Philadelphia

Craig M. Williams
First Fidelity Bank N.A., PA

James Wood
Montgomery County

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The Brentwood Group

Lance Berger
LBA Consulting Group

Thomas Colman
Scott Specialty Gases, Inc.

Michael A. Martorelli, CFA
Pennsylvania Merchant Group, Ltd.

Robert Serenbetz
DNA Plant Technology Corp.

Sheldon Thompson
The Sun Company, Inc.

David Weiner
The Wistar Institute

Dane Zabriskie
SmithKline Beecham

*All are also members of the Marketing and Attraction Committee

DISTRIBUTIVE SERVICES BUSINESS ATTRACTION TEAM*

Mark Mastro, *Chairman*
Conrail

John J. Gavin
Arthur Andersen & Company

Barbara T. Harder

James McManus
Greater Philadelphia Chamber of Commerce

Richard J. Molish

*All are also members of the Marketing and Attraction Committee

NEW VENTURES TASK FORCE

Victor V. Coppola, *Chairman*
Coopers & Lybrand

Maxine Ballen
The Business Development & Training Center at Great Valley

Alice Crowell
University City Science Center

Daniel J. Fennell
Costar

William Harrington
Ben Franklin Technology Center

Joseph J. Houldin
Delaware Valley Industrial Resource Center

Carolyn A. Keim
Delaware Valley Venture Group

Marc Kramer
Technology Council of Greater Philadelphia

Stephen P. Mullin
Philadelphia Commerce Department

Louis Padulo
University City Science Center

RoseAnn B. Rosenthal
Philadelphia Industrial Development Corp.

David N. Sciocchetti
RDC Institute, Inc.

Phillip A. Singerman
Ben Franklin Technology Center

David B. Thornburgh
Wharton Small Business Development Center

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The Sun Company, Inc.

Daniel Hilferty, *Vice Chairman*
Mercy Health Corp.

Frederick D. Cooper
Watlington Cooper, Inc.

Janet E. Cox
PECO Energy Co.

Maceo Cummings
Office of Housing and Community Development

Mary Davis
Greater Philadelphia Urban Affairs Coalition

Shirley Dennis
PECO Energy Co.

Ray Desiderio
Continental Bank

Delores DiSciullo
Delaware County Economic Development Office

Sharif El-Amin
City of Philadelphia

Charles Fancher
The Philadelphia Inquirer and Daily News

James E. Hartling
Urban Partners

Donald L. Haskin
PNC Bank

Curtis Jones
Philadelphia Commercial Development Corp.

Ernest Jones
Greater Philadelphia Urban Affairs Coalition

Frederick M. Manning
Federal Reserve Bank of Philadelphia

Jerome R. Mitchell
West Philadelphia Economic Development Corp.

Michael Montgomery
Pennsylvania Department of Commerce

William E. Parshall
City of Philadelphia

Bilal Qayyum
Philadelphia Commerce Department

William Rafsky

Sandy Reed
Bell of Pennsylvania

Byron Roberts
The Philadelphia Inquirer and Daily News

Guillermo Salas
Hispanic Association of Contractors and Enterprises, Inc.

Robert G. Sanders
CoreStates Financial Corp

Donald P. Scott

Roger M. Ulshafer, Jr.
CoreStates Bank, N.A.

Jeremiah White, Jr.
Philadelphia Development Partnership

Lamar Wilson
Local Initiatives Support Corp.

Patrick J. Zollo

REGIONAL ELECTED OFFICIALS

The Hon. Mary Ann Arty
Delaware County Council

The Hon. James Beach
Camden County Board of Freeholders

The Hon. Karen Martynick
Chester County Commission

The Hon. Mario Mele
Montgomery County Commission

The Hon. Edward G. Rendell
City of Philadelphia

The Hon. Andrew L. Warren
Bucks County Commission

The Greater Philadelphia Economic Development Coalition is a public/private partnership funded by Greater Philadelphia First.

Lynn Martin Haskin, Ph.D.
Executive Director

Jerome Kolker
Neighborhood Economic Development Specialist

Shawn Bleam
Project Manager

Stephanie Morrison
Administrative Assistant

Greater Philadelphia Film Office

Sharon Pinkenson
Executive Director

Peter Leokum
Deputy Director

1818 Market Street, Suite 3510,
Philadelphia, PA 19103
(215) 575-2230, FAX (215) 575-2222

Another corporation with an eye for educating the public is Maguire Thomas Partners. Through the building and development 1 percent for art program and additional company contributions, they gave in excess of $7 million in direct arts patronage over the last decade. The firm supports the arts because, according to their cultural mission statement, "it represents an investment in the quality of life of our communities. Private companies have a responsibility to serve as modern-day patrons of the arts and can offer a forum for artists to perform and display their works." The company's contributions include major sculptures by Jean Dubuffet, Louise Nevelson, Nancy Graves and Robert Graham, all of which are located at the Wells Fargo Center, an urban oasis at the top of Bunker Hill.

•The Gas Company Tower claims the world's largest abstract mural, "Dusk" by Frank Stella, while the "Unity" mural by Russian artists Komar and Melamid adorns the First Interstate World Center.

•The Los Angeles County Transportation Commission has adopted a public art policy to provide works of art throughout the rail transit system. The Commission recognizes that integrating art into the design of public spaces creates a more inviting environment, enlivens a functional world and contributes to a positive experience for riders. The Commission will allocate one half of one percent of construction costs for original works of art.

Cézanne's "Sous bois" (Under the Trees), 1893. Purchased with funds from the Wallis Foundation. Courtesy LOS ANGELES COUNTY MUSEUM OF ART.

AN EXPANDING CALENDAR OF EVENTS

•Special exhibitions and events are planned in celebration of Los Angeles' oldest urban arts college, The Otis School of Art and Design in its 75th year.

•A $7,500 ARCO Foundation grant to Friends of William Grant Still helped underwrite the Los Angeles African Marketplace and Cultural Faire, an intercultural festival of music, arts and crafts, film, cuisine and athletics, attracting a quarter-million visitors each year.

•The fourth presentation of The Los Angeles Festival will concentrate on African, African-American and Middle Eastern arts and culture. The theme, "Home, Place and Memory," will involve numerous projects that attempt to bring dialogues between groups, bringing Latino poets to the Vision Complex in Leimert Park, African and Middle Eastern musicians to the Getty Museum and Harmonica Fats to St. Anne Melkite Church in North Hollywood.

The cultural opportunities in Los Angeles County are a reflection of its multi-ethnic people and is a model for communities around the globe.

If Wallace Stegner could see Los Angeles today he might best describe Southern California as "The world, only more so."

Preparing for the 21st Century

By Adrian Rangel Sanchez

The changing characteristics of the populace will have enormous impact on the types of goods and services demanded in the future. As it approaches the 21st century, the five-county region of Los Angeles, Orange, Ventura, Riverside and San Bernardino counties is undergoing a profound and wrenching structural adjustment to its economic base. Aerospace/defense—long a cornerstone of the region's economy—is rapidly shrinking in overall importance, the result of new geopolitical realities in the aftermath of the Cold War. The region continues to grapple with cuts in defense expenditures and military base closings, which have created a great deal of economic dislocation and unemployment.

While this difficult and painful transition will continue in the years ahead, the region's economy will emerge in better shape than before. Productive human and capital resources—formerly poured into a massive defense establishment—will now be freed up to enter the private sector and be utilized more efficiently and profitably.

California's aerospace/defense industry, however, will not shrivel up and blow away. On the contrary, it will emerge leaner and meaner than ever to remain an important, albeit smaller, industry in Southern

FUTURISTIC ELECTRIC REAR-WHEEL DRIVE CORVETTE designed by Chang Baek, a student at Art Center College of Design, Pasadena. Designed for the Corvette Project sponsored by General Motors

California. In particular, the region will continue to be a leader in space technology and in the area of research and development.

SO MANY COMPELLING ATTRACTIONS

In spite of the region's present turmoils, businesses and individuals are busy preparing themselves for the challenges of the next century. Residents of this area have proven their resiliency in the past. The Los Angeles basin was transformed from a sleepy little pueblo into a thriving metropolis by the automobile revolution and the massive conveyance of water from many miles away. Beautiful weather almost year-round gave rise to the motion picture industry that has served as a major drawing card for the area's large and vital tourism industry. Later, World War II led to the development of Southern California's then-nascent commercial aircraft and aerospace industry. Throughout the twentieth century, Los Angeles has faced many formidable challenges and has always risen to the occasion.

The Los Angeles area will continue to be a major economic player on the West Coast and in the world. One important rationale for this bold contention is that the region will continue to be able to reap immense benefits from international trade. Despite a popular misconception, the region does not solely benefit from exports alone. Imports also provide economic benefits, creating jobs and incomes for those employed in the fields of transportation, wholesale and retail trade, and business and financial services.

POPULATION CHARACTERISTICS
IN THE GREATER LOS ANGELES AREA
PERCENT OF POPULATION BY AGE GROUP

METRO AREA	POP (000)	% OF U.S.	MED AGE	18-24 YRS	25-34 YRS	35-49 YRS	50+ YRS	INCOME (000)
Los Angeles/ Long Beach	9,285.5	3.5962	31.1	11.8	18.8	21.5	21.1	1,698.2
COUNTY								
Los Angeles	9,285.5	3.5962	31.1	11.8	18.8	21.5	21.1	1,698.2
CITY								
Alhambra	85.1	.0332	32.5	11.9	19.9	20.8	24.2	29.2
Arcadia	50.1	.0195	39.2	8.8	12.5	24.5	32.3	18.9
Azusa	41.3	.0163	27.2	15.9	20.5	17.6	16.4	11.1
Baldwin Park	71.9	.0280	25.6	13.1	17.7	19.1	14.2	17.1
Bellflower	64.1	.0250	31.4	11.8	19.8	20.5	22.1	21.7
Bell Gardens	44.0	.0171	22.4	14.1	18.8	16.3	10.3	9.5
Burbank	97.1	.0378	36.4	9.8	19.7	21.2	27.4	40.5
Carson	87.2	.0340	31.8	11.6	15.7	22.0	21.0	24.6
Cerritos	55.2	.0215	34.8	11.8	11.3	27.8	20.8	15.5
Compton	93.9	.0366	24.9	12.9	17.1	16.8	15.8	22.1
Covina	44.9	.0175	32.5	10.8	17.8	21.8	21.8	16.8
Diamond Bar	55.7	.0217	32.1	9.5	16.4	26.8	15.5	17.4
Downey	94.9	.0370	33.6	10.5	17.0	20.6	27.0	33.0
El Monte	110.3	.0430	26.6	14.7	18.8	17.4	14.9	26.9
Gardena	51.5	.0206	33.1	10.5	19.2	21.6	25.1	19.4
Glendale	187.0	.0728	34.9	9.7	18.4	23.1	26.6	70.0
Glendora	49.6	.0193	34.2	8.8	15.8	23.5	25.2	16.8
Hawthorne	74.2	.0289	27.9	13.1	22.6	20.7	17.0	20.1
Huntington Park	58.1	.0226	24.6	15.5	19.0	17.0	13.2	14.4
Inglewood	113.9	.0444	28.7	12.1	19.5	21.3	16.4	37.3
Lakewood	76.4	.0298	34.2	11.6	17.7	22.0	25.0	27.0
La Mirada	41.9	.0163	33.0	11.9	15.4	20.6	27.5	11.2
Lancaster	101.0	.0392	28.6	10.0	20.6	20.6	18.4	34.0
Long Beach	446.0	.1737	30.5	12.8	21.1	20.4	20.6	164.1
Los Angeles	3,620.0	1.4010	31.1	12.7	19.4	21.3	21.2	1,257.4
Lynwood	64.3	.0250	24.0	11.8	18.0	17.9	12.0	14.6
Montebello	61.9	.0241	31.0	12.0	17.3	18.4	24.6	19.1
Monterey Park	63.0	.0245	34.6	11.0	16.8	20.3	28.9	20.1
Norwalk	98.0	.0382	28.5	11.5	18.0	19.9	20.4	27.3
Palmdale	73.1	.0285	27.4	8.6	22.7	20.5	12.2	21.2
Paramount	49.4	.0192	25.6	11.7	18.7	17.7	14.6	13.4
Pasadena	136.7	.0532	33.2	11.0	20.1	21.8	24.6	50.9
Pico Rivera	61.5	.0240	29.4	12.3	16.8	18.6	22.5	16.5
Pomona	136.9	.0530	26.9	12.9	19.4	18.9	15.4	37.7
Rancho Palos Verdes	43.3	.0169	42.8	7.4	9.9	26.1	34.9	15.4
Redondo Beach	62.5	.0243	33.5	9.4	26.1	27.0	18.9	27.6
Rosemead	51.6	.0199	27.0	12.1	17.3	19.7	19.9	14.1
Santa Clarita	122.5	.0467	30.1	9.9	19.1	26.1	16.4	42.3
Santa Monica	90.1	.0352	36.7	6.9	27.3	24.0	25.7	46.4
South Gate	87.7	.0340	25.6	11.6	17.7	18.1	15.3	23.2
Torrance	138.1	.0539	35.4	8.9	18.2	24.6	27.6	54.1
West Covina	99.0	.0389	31.4	11.0	17.1	22.5	21.4	30.0
Whittier	80.6	.0314	32.4	10.9	17.4	19.9	25.6	28.6
SUBURBAN TOTAL	4,998.0	1.9092	31.1	11.2	17.9	21.8	21.2	1,558.0
LOS ANGELES RIVERSIDE ORANGE COUNTY CONSOLIDATED AREA	15,997.0	5.9964	31.2	11.4	18.5	21.6	21.3	5,117.2

[illegible]

The total volume of trade through Los Angeles' customs district has exploded tremendously over the past ten years. In 1991, the total value of exports and imports flowing through the Los Angeles region exceeded $112 billion. Between 1983 and 1991, the total volume of trade in the region grew at an annualized rate of 13 percent—almost twice the regional personal income growth rate of 7 percent. International trade is an important growth driver because of the additional number of jobs it is able to generate as each industry buys goods and services from other industries in the area, as well as the jobs generated by employees' spending.

Accentuating the growth benefits associated with international trade will be the steady movement toward a service-based economy. Recent trends suggest that the service component of total U.S. exports is growing. The Los Angeles region, with three out of 10 jobs in services, is well positioned to take advantage of this trend, with exports in such areas as computer software, financial and legal services, motion pictures and entertainment, and management consulting and engineering services.

THE AREA IS A RETAILERS' DREAM COME TRUE WITH OVER 5 MILLION HOUSEHOLDS AND OVER $300 BILLION IN PURCHASING POWER.

Strong growth benefits centers around the region's infrastructure needs. Advances in technology are revolutionizing the way people, goods and information

Continually investing in editorial quality

Los Angeles has always loomed large in the nation's imagination. Once it was rich soils and wide-open spaces that drew millions. Now it is high-tech industries and its position as gateway to the Pacific Rim that continue to beckon.

Paralleling the growth of Southern California is its newspaper, the Los Angeles Times. From a dusty town of 12,000 when The Times first published in 1881 to today's powerful metropolis, The Times has both chronicled and reflected the growth of Los Angeles and surrounding communities.

By continually investing in editorial quality, innovative features and state-of-the-art technology, The Times has become one of the largest U.S. daily newspapers. With nearly 3.3 million readers daily and more than 4.4 million on Sunday, The Times is inarguably the single most powerful medium in Southern California.

To meet the demands of the 21st Century, The Times launched an extraordinary press expansion program in 1987. The installation of 10 Goss colorliner presses and six retrofitted Metroliners was completed in 1992. This $400-million investment reflects the magnitude of The Times' commitment to the region's future.

PUBLIC SERVICE
MERITORIOUS

THE LOS ANGELES TIMES HAS WON THE PULITZER PRIZE—JOURNALISM'S HIGHEST HONOR—19 TIMES SINCE 1942.

WORLD REPORT

NEW SECTIONS AND FEATURES KEEP THE TIMES ON THE CUTTING EDGE OF THE NEWSPAPER INDUSTRY.

A further reflection of that commitment is the continual introduction of new innovations to better serve readers and advertisers. The Sunday Los Angeles Times Magazine, reformatted in 1991, combines bold contemporary design with a broadened editorial scope.

In response to the need for in-depth global information, The Times launched World Report, a weekly section to provide insight and perspective on current world events and leaders.

The City Times section was introduced to provide information for the heart of the city. City Times illustrates The Times' dedication to addressing the concerns of its diverse community.

Company Town was added to the Business section to better cover the business side of Los Angeles' important entertainment industry.

Quality journalism has always been a Times hallmark. Among 1993 awards, perhaps most prestigious was the Pulitzer Prize for local reporting of spot news. It was the 19th Pulitzer the paper has won—more than any other newspaper in the West.

As Los Angeles continues to grow and change, so will The Times. What won't change is its unshakable commitment to the Southern California community. The Times will truly remain the source for Southern California.

are moved in and out of the region. The construction of the Metro rail and Metrolink railroad lines should ease (even if only slightly) the region's congestion problem and—perhaps more importantly—provide greater access to markets for businesses, workers and consumers. The relative sphere of influence in which people live and work today is growing all the time, providing opportunities for regional synergisms to take place.

Equally remarkable are the advances in the areas of telecommunications and information networks. Firms are already racing against the clock to implement the first fully integrated communications system marrying the personal computer with the telephone and television. Here in the motion picture and television capital, this development could unveil a whole new industry with a billion-dollar-plus potential. Future employment skills will increasingly require being well-versed on the computer. Thus, acquiring a leg up on this technology will become increasingly important. The vast number of suppliers and support industries expected to spring up and gain from new technologies could transform the region's entire economic base.

Not to be lost in all this, however, are the region's existing strengths. The area's leading industries are far too numerous to mention in any great detail. Four of the region's major industry sectors and their economic impacts are discussed here.

MANUFACTURING: IT'S NOT ALL AIRCRAFT AND MISSILES

The Los Angeles basin is the nation's second largest manufacturing region overall in value added by manufactures, producing a broad array of goods for consumption at home and abroad. According to the U.S. Department of Commerce's 1987 Census of Manufacturers, manufacturing in the five-county region employed over 1.2 million workers (6.6 percent of U.S. manufacturing employment) with an annual payroll of almost $33 billion. That same year, the region produced $72.5 billion in value added by manufacture and had total shipments valued at nearly $139 billion. In addition to aircraft production and guided missiles, the region also accounts for over 80 percent of the state's shipments in apparel production and furniture & fixtures. Other important manufacturing industries include food processing, commercial printing, computer & office equipment, communications equipment, electronic components & accessories, measuring & controlling devices, petroleum refining and pharmaceuticals.

INCOME COMPARISONS FOR LEADING U.S. METROPOLITAN AREAS

METRO AREA	1991 TOTAL PERSONAL INCOME (BILLIONS)	1990 PER CAPITA PERSONAL INCOME
New York City Area	$ 580.5	$ 25,676
Los Angeles/Anaheim/Riverside	306.5	20,683
Chicago/Gary/Lake County	185.5	22,255
Washington, D.C./Maryland/Virginia	161.4	23,959
San Francisco/Oakland/San Jose	161.2	25,463
Boston/Lawrence/Salem	132.9	23,480
Philadelphia/Wilmington/Trenton	131.0	22,175
Detroit/Ann Arbor	100.7	20,467
Dallas/Ft. Worth	83.3	20,157
Houston/Galveston/Brazoria	77.2	20,007

Source: Bureau of Economic Analysis, U.S. Department of Commerce

POPULATION OF LOS ANGELES COUNTY & THE FIVE-COUNTY AREA

IF IT WERE A SEPARATE STATE, LOS ANGELES COUNTY ALONE WOULD PLACE NINTH, WHILE THE FIVE-COUNTY AREA WOULD RANK FOURTH IN THE U.S.

1	California (including L.A. area)	30,380,000
2	New York	18,058,000
3	Texas	17,349,000
LOS ANGELES FIVE COUNTY AREA		14,939,000
4	Florida	13,277,000
5	Pennsylvania	11,961,000
6	Illinois	11,543,000
7	Ohio	10,939,000
8	Michigan	9,368,000
LOS ANGELES COUNTY		9,083,000
9	New Jersey	7,760,000
10	North Carolina	6,737,000

Source: Census of Population, U.S. Bureau of the Census, U.S. Department of Commerce

HOUSING: STILL PLENTY OF ROOM TO GROW

One of the success stories of the '80s was the boom in residential construction. Overbuilding and a crippling recession, however, have dealt this critical industry a serious blow in the '90s. Long-term prospects for housing are promising, however, with continued growth expected in the region. Fundamentally, the same force that resulted in over 960,000 private housing starts during the 1980s is still in effect—relatively strong population and household formation growth. Population growth of nearly 3 million should result in an estimated 1 million new households during the '90s, assuming an average household size of 3.0. How much of this growth actually is translated into new housing construction will ultimately depend on the shape of the local economy and the availability of financing. Nevertheless, the longer-term outlook on the future demand for housing looks encouraging.

MARKET PLACE

SERVICES: THE WAVE OF THE FUTURE

The greatest number of those employed in the region work in service industries—nearly three out of every 10 jobholders. The services sector is broad, including lawyers, physicians, computer software designers and management consultants, as well as beauticians, gardeners and fast food workers. The Los Angeles area ranked first in 1989 in service industries employment of nearly 1.7 million. The region ranked second only to the Greater New York Area in service industry receipts, totaling over $73 billion or $5,400 per service employee. Within the services sector, two of the largest are amusement & recreation and health care services, each with receipts totaling over $15 billion in 1989. Close behind is business services with receipts of $13.5 billion. Services will continue to play an increasingly important role in the reconfiguration of the region's economy. The advent of the information age and the rising level of service exports will generate moderate employment gains and hefty service receipts in years to come.

LOS ANGELES MARKET INCOME DATA FOR 1993

Population/Households								Disposable Income*					
COUNTY	TOTAL POPULATION (000)	MEDIAN AGE OF POP	% OF POP BY AGE GROUP 18-24	25-34	35-49	50+	TOTAL HOUSEHOLDS (000)	TOTAL INCOME ($000)	MEDIAN HOUSEHOLD INCOME	% HOUSEHOLD BY INCOME GROUPS** A	B	C	D
Los Angeles/Long Beach	9,205.5	31.1	11.8	18.8	21.5	21.1	3,058.2	130,244,891	32,936	17.0	22.2	17.1	30.3
Orange	2,566.3	33.9	12.0	19.0	22.8	21.3	864.9	43,958,586	41,175	12.0	20.7	19.1	39.6
Riverside	1,344.9	31.8	9.1	17.2	19.9	24.6	456.7	17,202,675	29,816	20.4	24.9	17.3	24.0
San Bernardino	1,584.3	29.5	10.2	18.2	21.0	19.0	514.7	19,338,732	30,809	19.9	23.6	19.2	24.7
Ventura	696.5	32.1	10.2	17.1	23.7	21.3	223.2	11,154,339	40,320	11.7	21.1	19.1	38.1

[illegible]

[illegible]

[illegible] Sales & Marketing Management [illegible] Survey of Buying Power [illegible]

GROWTH COMPARISON OF THE LARGEST COUNTIES IN CALIFORNIA

THE BIGGEST CHANGE IN 1980-90 RANKING WAS RECORDED BY RIVERSIDE COUNTY, WHICH JUMPED TWO PLACES. ITS "INLAND EMPIRE" PARTNER, SAN BERNARDINO COUNTY, MOVED UP ONE NOTCH.

1990 RANK	1980 RANK		1980 CENSUS	1990 CENSUS	JANUARY 1991
1	1	Los Angeles	7,477,503	8,863,164	8,596,100
2	[illegible]	San Diego	1,861,846	2,498,016	2,546,000
3	[illegible]	Orange	1,932,709	2,410,556	2,451,700
4	[illegible]	Santa Clara	1,295,071	1,497,577	1,509,700
5	[illegible]	San Bernardino	895,016	1,418,380	1,475,100
6	[illegible]	Alameda	1,105,379	1,279,182	1,290,000
7	[illegible]	Riverside	663,166	1,170,413	1,231,900
8	[illegible]	Sacramento	783,381	1,041,219	1,070,100
9	10	Contra Costa	656,380	803,732	819,000
10	[illegible]	San Francisco	678,974	723,959	724,200

Source: U.S. Bureau of the Census

TRADE: WHERE MEANS AND WANTS MEET

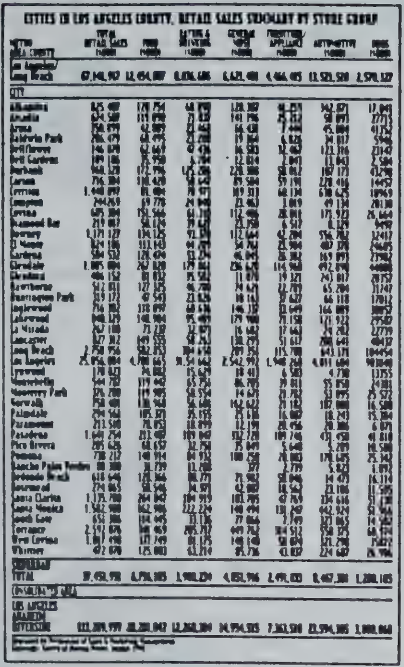
The Los Angeles region ranked first in the nation in wholesale and retail trade employees in 1989, with almost 1.5 million workers. Moreover, the region ranked second in both wholesale trade sales (over $203 billion) and retail trade sales (nearly $89 billion) in 1987. The Los Angeles area is a retailers' dream come true. With over 5 million households and over $300 billion in purchasing power, the five-county region has become a favorite target for retailers to sell their wares. Sales per household averaged better than $18,000 in 1987. Southland residents spent more of their hard-earned dollars on automobiles and related products than on any other retail category—over $20 billion in 1987. That same year, area denizens spent over $17 billion in food stores, over $11 billion in general merchandise, almost $10 billion at eating and drinking places, $5 billion each at gasoline service stations, home furnishings, and apparel & accessory stores, $4.2 billion on building materials and garden supplies and $3 billion at drug and proprietary stores. Large firms such as Wal-Mart and others have sought to enter or expand their operations in the immense Southland market.

IF THE LOS ANGELES FIVE-COUNTY AREA WERE A SEPARATE NATION

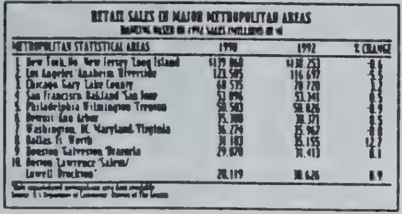
ITS GROSS PRODUCT WOULD BE EXCEEDED BY ONLY 11 NATIONS IN THE WORLD

RANKING BY GDP		1991 GDP (BILLIONS)
1.	United States	$5,667.5
2.	Japan	3,346.4
3.	Germany	1,574.3
4.	France	1,194.2
5.	Italy	1,150.5
6.	United Kingdom	1,018.8
California		733.8
7.	Canada	580.6
8.	Spain	527.3
9.	Australia	400.3
10.	Brazil	412.2
11.	Taiwan	371.2
L.A. Five-County Area		368.4
12.	Netherlands	290.5
13.	South Korea	283.9
14.	Mexico	282.5
15.	India	254.0
16.	Sweden	236.9
17.	Switzerland	232.0
18.	Belgium	201.4
19.	Austria	165.3

Source: International Monetary Fund



CITIES IN LOS ANGELES COUNTY, RETAIL SALES SUMMARY BY STORE GROUP



RETAIL SALES IN MAJOR METROPOLITAN AREAS

METROPOLITAN STATISTICAL AREAS	1990	1992	% CHANGE
1. New York, No. New Jersey, Long Island	[illegible]	[illegible]	[illegible]
2. Los Angeles, Anaheim, Riverside	[illegible]	116,697	[illegible]
3. Chicago, Gary, Lake County	[illegible]	70,720	[illegible]
4. San Francisco, Oakland, San Jose	[illegible]	[illegible]	[illegible]
5. Philadelphia, Wilmington, Trenton	[illegible]	[illegible]	[illegible]
6. Detroit, Ann Arbor	[illegible]	[illegible]	[illegible]
7. Washington, DC, Maryland, Virginia	[illegible]	[illegible]	[illegible]
8. Dallas, Ft. Worth	[illegible]	[illegible]	[illegible]
9. Houston, Galveston, Brazoria	[illegible]	[illegible]	[illegible]
10. Boston, Lawrence, Salem/ Lowell, Brockton	28,119	[illegible]	[illegible]

Following the civil disturbances in Los Angeles in the spring of 1992, The Vons Companies responded by making a $100-million commitment to build stores in neglected urban areas. Less than one year later, Vons began implementing its inner-city program with a groundbreaking ceremony in the city of Compton. As part of the company's vision to build stores in neglected areas, it has pledged to recruit, hire and train 1,000-2,000 local residents for well-paying store positions.

AS THE NINTH LARGEST SUPERMARKET IN THE NATION, VONS IS KNOWN TO SOUTHERN CALIFORNIA CUSTOMERS FOR ITS CONVENIENCE, SELECTION AND VALUE.

This commitment is only one of Vons community support programs. Vons has been recognized by the industry for its many outreach efforts—sending aid during a natural disaster and donating tons of grocery items to local and national charities each year. Others include donations to churches, schools and local food banks.

Making a $100-million commitment to build in neglected urban areas

Vons began as a mom-and-pop store on Seventh and Figueroa in Los Angeles. During 87 years, it has changed from Vons Grocetarias to The Vons Companies, Inc., the largest supermarket chain in Southern California.

With more than 345 stores throughout Southern and Central California and Clark County, Nevada, Vons has annual sales in excess of $5 billion. Its marketing territory runs from Fresno to the north through the heart of the Central Coast, south to San Diego and across the Nevada border.

Vons primary objective is to provide a diverse customer base with the finest possible food and food/drug stores. To achieve this goal, Vons operates five types of stores—Vons, Pavilions, Tianguis, Williams Bros. and Expo. Each is tailored to a specific type of customer. All stores are merchandised, staffed and operated with highest integrity.

·Vons Supermarkets, the original type of store, provide the best in basic grocery items, meat and produce.

·Vons Food and Drug stores add a pharmacy and expanded health and beauty care departments.

·Vons Super Combo opened in Simi Valley in March 1993 with 75,000 square-feet-plus. It includes leading-edge departments such as a video store, one-hour photo shop, party store, dry cleaners, full-service bank and Pak Mail center.

PRODUCE IS A SIGNATURE DEPARTMENT FOR VONS. INCREASED DEMAND AND AN EXPLOSION OF PRODUCTS AND AVAILABILITY HAVE GUIDED VONS TO INCLUDE AN EXTENSIVE SELECTION.

·Pavilions feature expanded produce and service departments as well as large selections of department store-quality general merchandise.

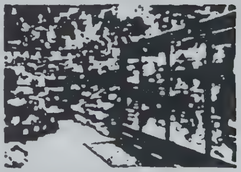
·Williams Bros. Markets feature locally grown produce and products.

·Tianguis stores meet the needs of the Hispanic community.

·The newest format—Expo stores—opened with three locations in July '93. Expo blends Super Combo store innovations with the offerings of a grocery warehouse store. Expo features an extensive selection of value pack items along with standard sizes; and service perishable departments surround the store.

These stores are serviced by Vons distribution centers and manufacturing facilities as well as produce and grocery warehouses. It also operates a bakery which services the network of stores, a Deli Kitchen which supports in-store service delicatessens with an assortment of salads and other selections. Vons also owns and operates the Jerseymaid Milk Products Co., with a milk processing plant and ice cream manufacturing facility.

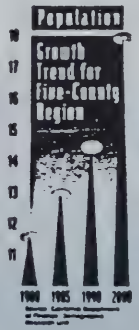
The Vons Companies, Inc. has become the market-share leader in Southern California by meeting the needs of the consumer. It is this commitment to the customer which will ensure its place well into the 21st century.



FLORAL DEPARTMENTS HAVE PROVEN TO BE A POPULAR ADDITION TO VONS STORES. FREQUENTLY LOCATED AT THE FRONT OF THE STORE, THE DEPARTMENTS MAKE AN APPEALING AND INVITING APPEARANCE.

L.A.: COLLAGE OF PEOPLE AND CULTURES

The Southland for many years now has been a collage of many different ethnic groups, each one leaving its distinct imprint on California's lifestyle and economy. The U.S. Census Bureau in its decennial count reported that over 14.6 million people called this area home in 1990. Moreover, demographers project that the region's population growth will continue apace with that of the U.S.—growing over twice as fast during the '90s. The Demographic Research Unit of the California Department of Finance—the official state agency responsible for population projections used by all state agencies—projects that by the year 2000 there will be nearly 17.6 million residents in the Los Angeles basin, a gain of almost 3 million in 10 years.



The Los Angeles region will grow by leaps and bounds in the '90s with the area's strong population growth acting as one of its main drivers. Though only part of the growth equation, a steady increase in population helps lay the groundwork for future labor force growth and employment, personal income gains and subsequent spending on housing and other consumer goods. In 1991 alone, the five-county Los Angeles region had total personal income of over $306 billion, second only to the Greater New York Area. Per capita personal income that same year was almost $20,700. Assuming a growth rate of 6 percent a year, total personal income in the region would double by the year 2000, to $616 billion, and per capita incomes would average approximately $35,000—a sizable amount of purchasing power that many businesses would find hard to resist.

The story does not end there, however. Not only will the region be adding almost 300,000 people a year, but the population mix will also continue to change, representing a greater share of Asians and Hispanics. The Los Angeles area is becoming increasingly diverse and multicultural with each passing year. In 1990, the five-county region was 50 percent Anglo, 33 percent Hispanic, 8 percent Black and approximately 9 percent Other (of which Asians were the fastest growing group). State demographers project that by the turn of the century the region will be 43 percent Anglo, 40 percent Hispanic, 7 percent Black and 7 percent Other. Thus, no single ethnic group or race will be in the majority by the year 2000.

WAGE AND SALARY EMPLOYMENT BY INDUSTRY IN LOS ANGELES AREA (THOUSANDS)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
TOTAL ALL INDUSTRIES	5030	5100	5291	5593	5761	5971	6159	6386	6475	6287	5949
AGRICULTURE, FORESTRY, & FISHERIES	55	55	57	56	57	57	59	58	59	55	58
TOTAL NON AGRICULTURAL EMPLOYMENT	4974	5041	5234	5536	5704	5913	6099	6327	6416	6152	5880
Mining	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13	13	12	11
Construction	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Manufacturing	1165	1159	1236	1229	1237	1266	1273	1263	1230	1140	1054
Non durable	365	364	373	371	384	403	412	420	424	414	401
Durable	799	793	842	856	852	862	860	843	805	733	651
Transportation & Public Utilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade	1164	1186	1270	1325	1359	1388	1433	1485	1502	1419	1376
Wholesale Trade	329	337	363	379	383	380	403	426	430	401	389
Retail Trade	832	848	907	946	975	1008	1029	1059	1071	1017	986
Finance, Insurance, & Real Estate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	404	413	427	[illegible]	412	[illegible]
Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Government	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal	107	108	111	113	115	117	118	118	121	116	116
State & Local	604	599	604	620	639	624	670	703	738	750	751

[illegible]

The additional growth and changing characteristics of the region's populace will not only result in stronger demand for consumables sometime down the road, but it will also have enormous impact on the types of goods and services demanded in the future. The introduction of new tastes and products at home brought about by the region's growing diversity will create not only new businesses and jobs within the region but will serve as a magnet for foreign businesses looking to gain a foothold in Southern California's vast and dynamic retail market.

Notwithstanding its current woes, the Los Angeles area is not in the throes of a long-term worldly decline.

NEW TECHNOLOGY IS REVOLUTIONIZING THE WAY PEOPLE, GOODS AND INFORMATION ARE MOVED IN AND OUT OF THE REGION.

MORE THAN 1 MILLION TONS OF CARGO move through LAX yearly

Far from it! This slumbering giant has riches and advantages that other cities can only dream about—strategically located close to burgeoning Asian and Latin American markets; a large and educated workforce; plenty of room for further economic development; and a diverse economy with multifaceted industries and new engines of growth right around the corner in such fields as biotechnology, environmental science, infrastructure and telecommunications. Indeed, the Los Angeles area is sufficiently varied to accommodate residents and businesses of every imaginable stripe that wish to partake of its dynamic marketplace and unlimited opportunities for future growth.

A publication of the
Worcester Area Chamber of Commerce
and
Worcester Business Development Corporation
33 Waldo Street
Worcester, MA 01608-1581

(508) 753-2924
FAX: (508) 754-8560

The Worcester Area Chamber of Commerce and the Worcester Business Development Corporation extend their deep appreciation to the following companies whose generosity assisted in the creation of this informational packet:
Allmerica Financial
BASF Bioresearch Corporation
University of Massachusetts Medical Center

Special thanks to Cutler Associates, Inc. and the Worcester County Convention and Visitor's Bureau for their support of this project.
This publication is funded by the Commonwealth of Massachusetts, Executive Office of Economic Affairs/Office of Travel and Tourism.

Business...

in Worcester

"One of the reasons we chose Worcester over 100 cities nationwide was because of the cooperation we received from all levels of government and the business community. Corporations seem to thrive here, we believe, due to that cooperation and the presence of exceptional universities and hospitals, and we want to be part of that."

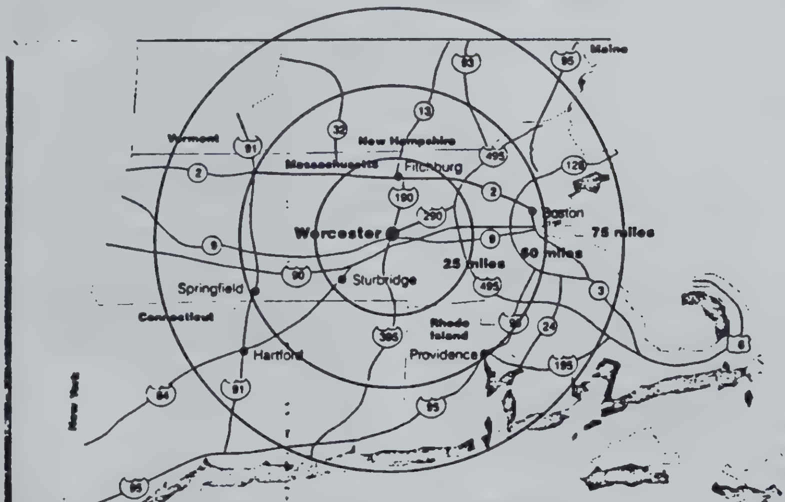
Joseph D. Michaels
Vice President, Finance and Administration
BASF Bioresearch Corporation

Market Data

Worcester is the second largest city in New England and the center of a dense population concentration:

- *One million people within a 25-mile radius*
- *Six million people within a 50-mile radius*
- *More than nine million people within a 75-mile radius*

Forty six percent of the 13 million people in New England live in Massachusetts.



POPULATION

	1980	1990
Within 25 miles	958,137	1,040,605
Within 50 miles	5,793,242	6,222,995
Within 75 miles	8,538,734	9,029,132

NEW ENGLAND'S MAJOR CITIES POPULATION GROWTH

	1980	1990
Boston, MA	562,994	574,283
WORCESTER, MA	161,799	169,759
Springfield, MA	152,319	156,983
Providence, RI	156,804	160,728
Hartford, CT	136,392	139,739

WORCESTER COUNTY
Worcester MSA

WORCESTER AREA POPULATION GROWTH

	1980	1990
Worcester County*	646,352	709,705
Worcester MSA**	402,918	436,905
WORCESTER	161,799	169,759

* *Worcester County: Includes the cities of Fitchburg, Gardner, Leominster, Worcester and 56 towns.*
** *Worcester MSA: The Metropolitan Statistical Area (MSA) includes City of Worcester and 28 towns.*
Source: Census Bureau, Dept. of Commerce

1990 PERCENTAGE OF HOUSEHOLDS BY EFFECTIVE BUYING INCOME

City	$10,000 - $19,999	$20,000 - $34,999	$35,000 - $49,999	$50,000+	Number of Households
WORCESTER, MA	20.6	24.8	16.9	20.1	64,600
Boston, MA	20.3	24.1	15.5	21.5	228,300
Providence, RI	24.2	23.5	13.4	14.8	59,100
Springfield, MA	21.6	25.4	16.3	15.8	58,100
Hartford, CT	25.5	24.4	13.9	13.5	51,700
WORCESTER COUNTY	17.4	23.6	20.3	25.7	263,200

Source: *Sales & Marketing Management Magazine.*

1990 RETAIL SALES

Retail sales in Worcester County total more than $5.4 billion. The City of Worcester is one of New England's top leaders in retail sales.

City	Total Retail Sales (in Billions)	Per Household Retail Sales
Boston, MA	$4.21	$18,474
WORCESTER, MA	1.67	25,865
Springfield, MA	1.32	22,768
Providence, RI	.93	15,700
Hartford, CT	.78	15,131
WORCESTER COUNTY	5.43	32,267

By 1995, the total retail sales for Worcester County is expected to exceed $6 billion, a 12.1% increase from 1990.

Source: *Sales & Marketing Management Magazine.*

1990 EFFECTIVE BUYING INCOME

	Total EBI (in billions)	Median Household EBI
Boston	$8.9	$26,212
WORCESTER, MA	2.4	26,564
Providence, RI	1.9	20,802
Springfield, MA	1.8	23,937
Hartford, CT	1.5	20,852
WORCESTER COUNTY	10.9	32,267

Of the 320 top metro areas in the United States, Worcester County ranks 68 in total EBI and 46 in median household EBI.

Cover Photo © 1992 Robert A. Raslavsky, courtesy Worcester Scene Project, Worcester Historical Museum
Maps courtesy of Telegram & Gazette

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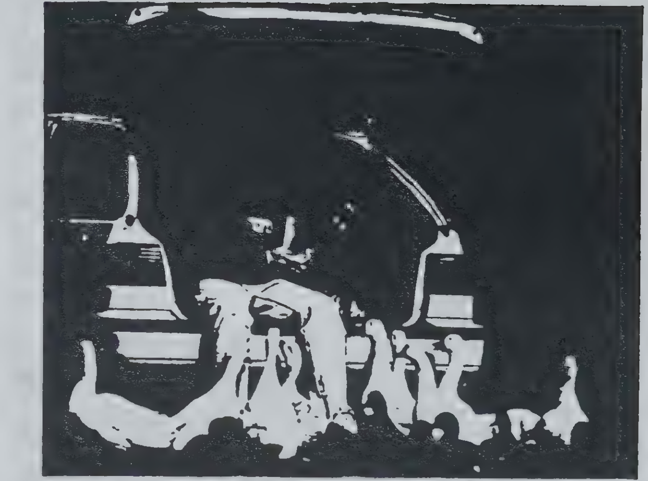
Life...



in Worcester

"I was raised in a big city and came here to attend college. I was struck by the intimacy, warmth and friendly atmosphere. I stayed, raised my family and still love everything about Worcester."

Bob Cousy
Boston Celtics and
College of the Holy Cross Basketball Star

A community is judged by certain standards. What is the quality of its school system? Are there museums, concert halls and live theatre? Are there activities for children and nightlife and entertainment for adults? What type of medical care does it offer? Is the city easily accessible? Can it accommodate out-of-town visitors? Are there convention facilities? § *Only when these questions are answered can one make an assessment of a community's quality ... and choose whether or not to settle there.* §
What would you think of a city that is the second largest in New England, yet is attentive enough to its residents' needs and concerns to be known and loved for its small town atmosphere? § *Here is a taste of why so many people live in, work in and love Worcester.*

ducation

OLLEGES AND UNIVERSITIES
'orcester boasts nine top-rated coeduca- onal colleges and universities, a medical hool and a veterinary school:

- Anna Maria College
- Assumption College
- Becker College
- Clark University
- College of the Holy Cross
- Nichols College
- Quinsigamond Community College
- Tufts University School of Veterinary Medicine
- University of Massachusetts Medical Center
- Worcester Polytechnic Institute
- Worcester State College

Many of these schools are nationally cognized, affirming their high degree of cellence. According to U.S. News & 'orld Report of "America's Best Colleges," 'orcester Polytechnic Institute (WPI) ranks umber one in the North and one of the top ur in the United States. The report also places the College of the Holy Cross 23rd out of 140 national liberal arts colleges.

In addition to providing quality education, area institutions, through their top researchers, attract millions of dollars in grants and awards. WPI, for instance, recently received a $10.6 million defense contract to develop high-performance computer technology for industry, and the University of Massachusetts Medical Center is awarded more than $50 million annually in research funding.

Businesses are also working with our colleges to train students in the latest technologies. The Commonwealth, in partnership with industry and the state's

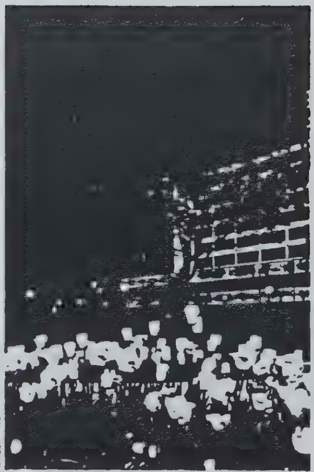
MEDICAL

Nine first class hospitals provide the Worcester area with superior medical services including general rehabilitation, long-term and chronic care. Need to find a doctor? A physician referral service run by the Worcester District Medical Society offers information and assistance. This service can be reached at (508) 753-1579.

Research, an important component in Worcester's health care community, is carried out at area hospitals, at the world-famous Worcester Foundation for Experimental Biology, and at the newly-developed Massachusetts Biotechnology Research Park.

Hospitals

- AdCare Hospital
- Fairlawn Rehabilitation Hospital
- Hubbard Regional Hospital
- Milford-Whitinsville Regional Hospital
- Saint Vincent Hospital
- The Medical Center of Central Massachusetts
- University of Massachusetts Medical Center
- Worcester County Hospital
- Worcester State Hospital



Chuck Kidd

SOCIAL SERVICE

A variety of professional organizations in the area provide help and support in both daily activities and in times of crisis. Those serving the area include:

First Call (508) 755-1233
A 24-hour information and referral line to area human service agencies

Child Care Connection (508) 757-3880
A child care resource and referral program

Interested in volunteering your time and talents?

Voluntary Action Center (508) 757-5631
This division of the United Way of Central Massachusetts helps people find volunteer opportunities in more than 175 nonprofit organizations.

CONVENTION FACILITIES

Worcester's central location, congenial atmosphere and rich cultural and recreational attractions make it an ideal city for conventions. With more than 40 hotels and motels, 4,000 hotel rooms and a number of fine convention facilities, the Worcester area can host both large and small conventions and events.

These facilities include the Centrum, Worcester's civic center seating 15,500, accommodating large conventions, trade and sporting events and international concerts and shows; the AUD, which overlooks the north end of the downtown area, seats 4,500 and is ideally suited for medium-size conventions and meetings; and Mechanics Hall, an acoustically perfect hall seating 1,400 with smaller halls and rooms available throughout the building.

Plans are in the works to expand the Centrum facilities and create a convention center with 100,000 square feet of continuous exhibit space.

For further information, contact the Worcester County Convention and Visitors Bureau: (508) 753-2920.

> *"I came here fifteen years ago as an intern, and one reason I've stayed is that I love being in a metropolitan area that's also safe for my family. Worcester has all the good things a city should have, including access to the best in healthcare. And we're not far from the ocean and mountains!"*
>
> Joel M. Gore, M.D.
> Director, Division of Cardiovascular Medicine
> University of Massachusetts Medical Center

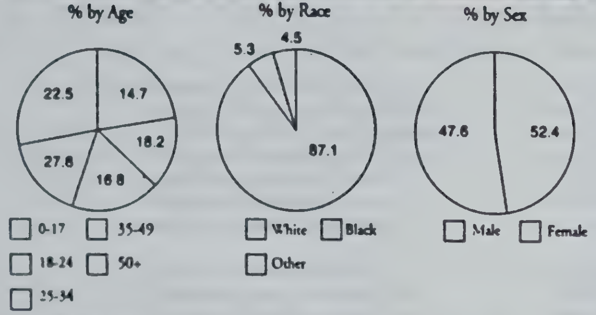
Population Growth

	1980	1990	2000
Massachusetts	5,737,037	6,016,425	6,086,997
Worcester, MA	161,799	169,759	186,554
Worcester County	646,352	709,705	759,422
Worcester MSA	402,918	436,905	468,589
Fitchburg/Leominster MSA	94,018	102,797	108,746

Population Density (1990)

	Worcester	Worcester MSA	Worcester County
Population	169,759	436,905	709,705
Density per square mile	4,520	622	469

Population, City of Worcester (1990)



Median Age 32.0

Effective Buying Income (EBI) 1990

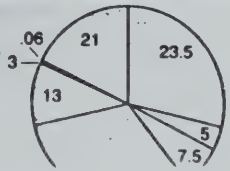
	Total EBI in billions	Median Household EBI
Worcester	$2.4	$26,564
Worcester County	$10.9	$32,267
Massachusetts	$100.5	$33,363

Of the 320 top metro areas in the United States, Worcester County ranks 68 in total EBI and 46 in median household EBI. The total EBI for Worcester County is projected to increase 35.5% by 1995.

Labor Force

Worcester Metropolitan Statistical Area (MSA): City of Worcester and 28 area towns
1991 Nonagricultural Employment Average: 179,600

Manufacturing 21%
Construction 3%
Transportation, communication and public utilities 5%
Wholesale & retail 23.5%
Finance, insurance and real estate 7.5%
Services 27%
Mining .06%
Government 13%



Major Industry

The Worcester area maintains a diverse economic base. Listed below are some of the area's largest employers.

Medical/Health
- AdCare Hospital of Worcester, Inc.
- Critical Care America
- Fairlawn Rehabilitation Hospital
- Fallon Clinic, Inc.
- Hubbard Regional Hospital
- Medical Center of Central Massachusetts
- Milford-Whitinsville Regional Hospital
- St. Vincent Hospital
- University of Massachusetts Medical Center
- Worcester State Hospital

Insurance
- Allmerica Financial (State Mutual and Hanover)
- Commerce Insurance Co.
- Paul Revere Insurance Group
- Worcester Insurance

Manufacturing
- American Optical Corp.
- Bay State Abrasives
- Chase Paper Co.
- FLEXcon Company, Inc.
- Morgan Construction Co.
- Neles-Jamesbury Corp.
- Norton Co.
- Quaboag Corporation
- Riley Stoker Corp.
- Walker Magnetics Group, Inc.
- Wyman-Gordon Co.

Education
- Anna Maria College
- Assumption College
- Becker College
- Clark University
- College of the Holy Cross
- Nichols College
- Quinsigamond Community College
- Tufts University School of Veterinary Medicine
- University of Massachusetts Medical Center
- Worcester Polytechnic Institute
- Worcester Public Schools
- Worcester State College

Utilities

Electricity
- Maintains a 27-28 percent generation reserve margin to insure service reliability
- Average cost per kilowatt hour: 8 cents (based on 2 shift customer using 400,000 kwh/month)
- Mix: 22% oil, 42% coal, 19% nuclear, 8% hydro, 3% gas, 6% non-utility generators
- Massachusetts Electric: (508) 791-8511

Gas
- Commonwealth Gas Company serves 240,000 customers in 49 cities and towns
- Natural gas is available in sufficient supplies for commercial, industrial and residential users
- Commonwealth Gas Company: 1-800-572-9300

Water
- The City of Worcester has its own reservoir system
- Average Daily Use for Worcester: 23.6 mgd
- Maximum Capacity for Worcester: 40.6 mgd

Telecommunications

- New England Telephone Company serves Worcester and surrounding communities via electronic stored program control telephone switching centers
- Most incorporate digital switching technology
- A wide range of digital communications services for the transmission of voice, data and image are available to meet the communications needs of local businesses
- A variety of long distance carriers provide service outside the 508/617 area code
- New England Telephone: (508) 798-5830

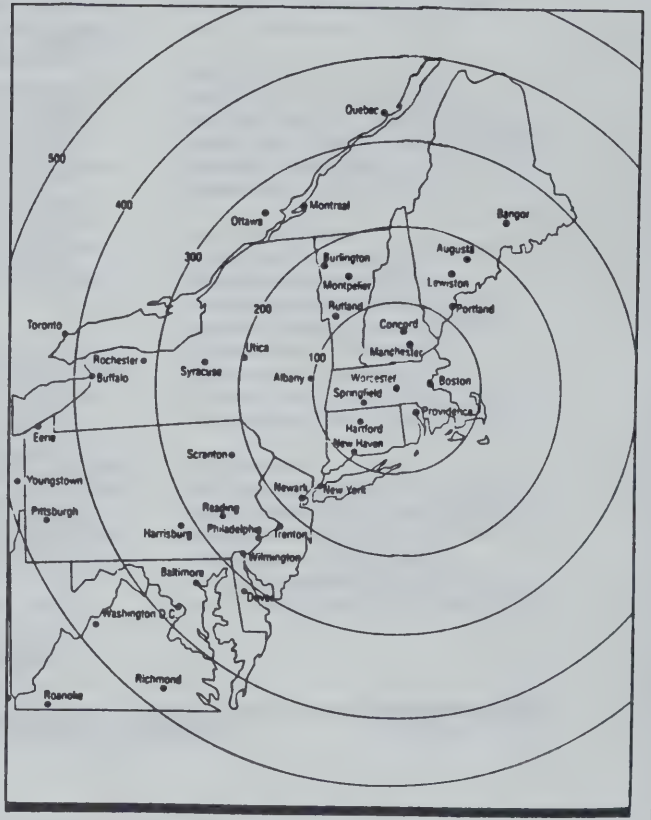
Health Care

- Nine hospitals
- 2,060 beds
- UMass Medical Center's medical school ranks first among public medical schools in the Northeast based on NIH research fund awards

Housing

Rental rates for single family housing:
- Three bedroom apartment: $450-$550 per month plus utilities
- Three bedroom house: $900-$950 per month

Average cost for a house in Worcester County:
- Two bedroom: $110,966
- Three bedroom: $147,126



The City of Worcester is centrally located in the heart of the Northeast.

EXECUTIVE SUMMARY

Once jokingly referred to as "Naptown," Indianapolis may have been a sleeping giant—but no longer. In its June 1991 issue, *Inc.* magazine rated the city among America's best cities for growing a business. In September 1990, *USA Today* placed us at the top of a list of "The New Big Cities On The Block." "Boom Town" is how *Newsweek* described the city in an October 1990 issue, the same month that *U.S. News & World Report* said Indianapolis was a "bright spot" in the economic downturn.

A December 1991 "Best Business Cities" survey conducted for the national real estate firm of Cushman & Wakefield ranked Indianapolis as the 10th best place to locate a business today. Respondents applauded Indianapolis for its favorable governmental climate; easy access to markets, customers, and clients; and for the cost and availability of labor.

When the American Institute of CPAs asked 2,000 small business executives in May 1991 to select one city as the growth leader of the Midwest, their choice was Indianapolis. As the *Chicago Tribune* reported in October 1991, Indianapolis' government and business leaders have changed the city's image over the past two decades "from that of a sleepy Corn Belt city" to that of a "booming metropolis."

Years of stable and well-planned growth, led by public-private partnership, have paid off in a big way for Indianapolis. And the city is not resting on recent laurels.

Since taking office in January 1992, Mayor Stephen Goldsmith has announced a comprehensive set of economic development initiatives that will take a thriving Indianapolis into the 21st century. Steps already taken by the mayor and his staff include:

- Establishing a city ombudsman to assist companies with regulatory matters
- Reviewing and streamlining city government offices and functions
- Creating existing industry and small business task forces to guide the city in enhancing the business climate
- Outlining a three-year infrastructure improvement program

Indianapolis' economy is growing at an above-average rate. Residents are enjoying a high quality of life. Local businesses are expanding, and new companies are bringing new investment into the community.

A variety of firms have found that metropolitan Indianapolis is an excellent location for industrial operations, including long-established companies like General Motors and Target and newcomers like United Airlines and Electronic Manufacturing Productivity Facility (EMPF). Whether focusing on research, manufacturing, distribution, or maintenance, these firms benefit from their Indianapolis choice.

Indianapolis' recent, exciting growth as an aircraft/aerospace industry location is profiled in exhibits following this section.

TOP TEN REASONS FOR DOING BUSINESS FROM INDIANAPOLIS

1. **Indianapolis, Indiana's state capital, is in the heart of the U.S.**—the most centrally located city to the nation's top 100 markets.[1] Seven spokes of four interstate highways intersect Indianapolis, and an international airport makes long-distance travel quick and convenient. For just those reasons, corporate real estate executives rate Indianapolis the second-best city for distribution operations in the U.S.[2]

2. **Indianapolis is diverse, vibrant and growing.** The population grew 4.2% from 1980 to 1990.[3] More people are moving into the city than moving out,[4] and the metro area's 1.4 million residents represent a rich mix of cultural and ethnic backgrounds.

3. **The labor force within the Indianapolis metro area includes more than 744,000 workers,**[5] and Marion County draws commuters from each surrounding county and beyond.[6] **This highly skilled group of employees**—many educated at the numerous area colleges, universities, and technical schools—represents an abundant supply of labor in nearly every area.

4. **Employee wages are affordable for employers, while residents enjoy a cost of living consistently below the national average**[7]—a beneficial combination for business owners *and* their employees.

5. **The city boasts an exceptionally active and sound economy,** with job growth continuing to outpace the nation. **Indianapolis had the fifth highest job growth rate between 1990 and 1991 of all U.S. cities with more than 500,000 people.**[8]

6. **The city's gas, electric, and water utilities offer outstanding services,** often for some of the lowest utility costs in the nation. Reliable, uninterrupted service is an equally important hallmark in Indianapolis.

7. **Industrial facilities and sites are available and reasonably priced,** with a variety of locations and arrangements that can meet the needs of companies seeking to expand or locate in the area.

8. **The quality of life is exceptional in Indianapolis** and includes a broad spectrum of cultural offerings, recreational opportunities, and world-class sports facilities. It's not surprising that readers of *Site Selection* rated Indianapolis among eight top cities with the most appealing quality of life in the magazine's 1991 survey.

9. **Housing in Indianapolis is one of the best bargains in the country**—affordable and a sound investment. In a May 1991 survey, *Money Magazine* ranked Indianapolis among the nation's top 10 metro areas for projected growth in housing values. Recently, the National Association of REaltors reported the median home price in Indianapolis for 1992's fourth quarter as nearly $20,000 below the national average.

10. **Indiana is a low-tax state, and Indianapolis is a low-tax city.** State and local taxes generally compare favorably with other areas, and tax incentive programs are available to qualified new and existing businesses.

---

[1] Chicago Association of Commerce and Industry
[2] Ernst & Young, International Association of Corporate Real Estate Executives study, June 1992
[3] U.S. Census Bureau
[4] Ryder Truck Rental study, released early 1992
[5] Indiana Department of Employment & Training Services, November 1992 (preliminary)
[6] U.S. Census Bureau
[7] American Chamber of Commerce Researchers Association
[8] Bureau of Labor Statistics

APPENDIX NO. 3

Appendix No. 3

Planning Recommendation Resources:

Boston Redevelopment Authority Questionnaire Response, December 1993.

Graves, Charles; Director, Department of Planning, Baltimore, Maryland, Telephone Interview on February 14, 1994.

King, Rex; Director, Department of Planning, Albuquerque, New Mexico, Telephone Interview on February 11, 1994.

Osborne, David and Gaebler, Ted; Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector, Plume, 1992, Pg. 232.

Rahaim, John; Department of City Planning, Pittsburgh, Pennsylvania, Telephone Interview on February 10, 1994.

Wilch, Bob; Supervisor, Planning Division, Department of Metropolitan Development, Indianapolis, Indiana, Telephone Interview on February 14, 1994.

Neighborhood Recommendation Resources:

Bash, Alec; Assistant Zoning Administrator, City Planning Department, San Francisco, California, Telephone Interview on February 24, 1994.

Heath John; Department of Planning and Development, Atlanta, Georgia, Telephone Interview on February, 24, 1994.

Section 41-10, Registration and Notification of Neighborhood Organizations, Planning-Planning Office, Ordinances, Denver, Colorado, Pg. 2885.

Vanderburg, Marshall; Associate Analyst, Mayor's Office of Regulatory Reform, Denver, Colorado, Telephone Interview on February 14, 1994.

Webb, Marc; Director of Operations, Boston Redevelopment Authority, "Patterns of Development in Boston," Memorandum to Susan Maranhao dated February 2, 1994.

Housing Recommendation Resources:

Burnham, Barbara; President, Board of Directors, The Citizens Housing and Planning Association, Interview with Housing Subcommittee on January 13, 1994.

Callahan, Tom; Director, Massachusetts Affordable Housing Alliance, Telephone Interview on February 17, 1994 and Interview with Housing Subcommittee on January 13,1994.

Dienstfrey, Ted; Director, Mayor's Office of Housing, San Francisco, California, Telephone Interview on February 22, 1994.

Gonzales, Manny; Management Assistant, Housing Department, Phoenix, Arizona, Telephone Interview on February 17, 1994.

Jahr, Marc; Head of New York Programs, Local Initiatives Support Corporation, New York City, New York, Former Official in New York City's Department of Housing Preservation and Development, Telephone Interview on February 17, 1994.

The Mayor's Management Report, New York City, New York, David Dinkins, Mayor, September 1992, Pg. 155.

McGuigan, Patrick; Memorandum to Development & Housing Task Force, January 3, 1994, Pg. 2.

Warren, Chris; Director, Department of Community Development, Cleveland, Ohio, Telephone Interview on February 24, 1994.

Council of Economic Affairs Recommendation Resources:

City of Baltimore Development Corporation, 1993. "Mayor's Economic Advisory Council" .

Good, Donna; Senior Assistant, Mayor's Office, City of Denver, Colorado, Telephone Interview on February 14, 1994.

Spiva, Ed; Staff to Mayor's Business Advisory Council, City of Baltimore Development Corporation, Baltimore, Maryland, Telephone Interview on February 10, 1994.

Business Services Recommendation Resources:

Broida, Clark; Office Director, Small Business Ombudsman Service, Cleveland, Ohio, Telephone Interview on February 7, 1994.

Connors, Patrick; Economic Development Coordinator, Department of Planning and Development, Chicago, Illinois, Telephone Interview on February 8, 1994.

Housman, Doug; The Business Retention Center Transition Documents, Pg. 1 and 4, December, 1993.

Labich, Kenneth; "The Best Cities for Knowledge Workers." Fortune Magazine, November 15, 1993, Pg. 60.

O'Neil, Don; Director, Business Assistance Center, St. Louis, Missouri, Telephone Interview on February 8, 1994.

"One-Stop Business Centers: Renewed Emphasis on Advocacy, Permit Streamlining." Developments Magazine, November 15, 1993, Pg. 4 - 6.

Job Training Recommendation Resources:

Barton, Steve; Mayor's Office of Children, Youth and the Family, San Francisco, California, Telephone Interview on February 7, 1994.

Economic Development and Industrial Corporation Questionnaire Response, December 1 993.

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Knight, Bob; President, National Association of Private Industry Councils, Washington, D.C., Telephone Interview on February 10, 1994.

Lawrence, Wayne; Office of Community Development, San Francisco, California, Telephone Interview on February 9, 1994.

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APPENDIX NO. 4

MAYOR'S ECONOMIC ADVISORY COUNCIL

Purpose

The establishment of the Mayor's Economic Advisory Council was the result of a recommendation by the Mayor's Economic Incentives Task Force. The purpose of the Council is to enhance the public/private partnership in promoting economic growth for the City of Baltimore through direct linkage between the business and institutional leaders and the Mayor. This will help to serve a similar role as other counties within the state and major cities across the nation have with their equivalent Economic Advisory Councils.

Membership

There are a number of organizations which may have overlapping interests and activities with the Mayor's Economic Advisory Council. However, the Council is being established for the sole purpose of developing a closer working relationship between the Mayor and the business community in providing direct input on economic issues, helping to monitor the business climate and evaluating the effectiveness of economic development activities. The Maryland and City Chambers of Commerce and the Greater Baltimore Committee were established by business leaders to serve the business community with their respective needs. However, the Council is being established by the Mayor to create a greater working relationship between the City and the business Community. The membership reflects a broad spectrum of business associations, universities, hospitals, financial institutions, developers, manufacturers, utilities and other businesses. The wide variety of organizations represented should help to eliminate duplication and overlapping of activities.

Function

The Council will review and provide input to the Mayor on economic development policies and activities within the City and promote economic growth through the following:

1. Promoting business retention and attraction,
2. Monitoring the business climate,
3. Monitoring the effectiveness of economic development activities,
4. Making recommendations on major economic development initiatives, and
5. Monitoring the implementation of the recommendations of the Economic Incentives Task Force.

MAYOR'S ECONOMIC ADVISORY COUNCIL

STRUCTURE AND MEETING FREQUENCY

Meeting Frequency

The Council will be established for the period of one year. During the year an evaluation will be made as to extending the council based upon its effectiveness and ongoing need.

The Council will meet every other month on the attached dates.

Structure

Memberships will be comprised of the presidents or CEO's of selected businesses or organizations appointed by the Mayor.

Business organizations will have its chairman or president as an ongoing functional representative.

In the event of retirement or departure of the council member of the represented business, the Mayor will appoint a new member at his sole discretion.

The Mayor will appoint a person to chair the Council.

The Chairperson will establish working committees as needed.

Baltimore Development Corporation will provide staff support for the Council.

When a member cannot make the designated meetings it is requested that no alternates be sent.

MAYOR'S ECONOMIC ADVISORY COUNCIL MEMBERS

Dr. James A. Block, President
Johns Hopkins Health System & Hospital

James T. Brady, Partner
Arthur Andersen & Company

Frank P. Bramble, Sr
President/CEO
MNC Financial Inc.

Benjamin R. Civiletti, Chairman
Venable Baetjer & Howard

Charles W. Cole, Jr, President
1st Maryland Bancorp

Edward A. Crooke, President
Baltimore Gas and Electric Company

Frederick D D'Alessio, President
Chesapeake Potomac Telephone
Company of Maryland

Anthony W. Deering, President
The Rouse Company

Robert C. Embry, President
Abell Foundation

Honora M. Freeman, President
Baltimore Development Corporation

Russell Frisby, President
Baltimore Chamber of Commerce

B. Douglas Goodell, Vice President
Crown, Cork & Seal Company

Willard Hackerman, President
Whiting-Turner Contracting Co.

Joseph Haskins, Jr.
President's Roundtable
Harbor Bank of Maryland

Grant Hathaway, Chairman
Downtown Partnership of Baltimore

Raymond Haysbert, President
Park Sausage Corporation

Barbara B. Hill, President
Prudential Health Care

Donald Hutchinson, President
Maryland Business Council

Bernard Manekin, Chairman
Manekin Corporation

Raymond A. Mason
Chairman/CEO
Legg Mason, Inc

Decatur H. Miller, Chairman
Piper & Marbury
William M. Passano, Jr., Chairman
Waverly, Inc.

John Paterakis, President
H & S Bakery, Inc.

Dr. Morton I. Rapoport, President
University of Maryland Medical System

Dr. William C. Richardson, President
Hopkins University

Theo Rodgers, President
A & R Development Corporation

Mayor's Economic Advisory Council Members Con't

Henry A. Rosenberg Jr, Chairman
Crown Central Holding Corporation

Thomas J. Shafer
Senior Managing Partner
Whitman Requardt and Associates

Mayo Shattuck, President and CEO
Alex. Brown & Sons, Incorporated

Walter Sondheim, President
Greater Baltimore Committee

David L. Vercollone
Vice President & General Manager
SCM Chemicals, Inc.

Otis Warren, President
Otis Warren of Maryland

CITY OF BALTIMORE DEVELOPMENT CORPORATION

Mayor's Economic Advisory Council
Standing Rules Subcommittee Report

November 2, 1993

Meeting Date: Friday, October 29, 1993; 10:00 am

Purpose: At the Economic Advisory Council Meeting on September 17, the Chairman called for a subcommittee to be established for the purpose of presenting to the Council recommendations for standing rules to enable the Council to operate more efficiently.

Recommendations:

1. Change the name of the Council from the **Mayor's Economic Advisory Council** to the **Mayor's Business Advisory Council.**

2 Continue the current distribution of membership reflecting a wide range of business leaders and business organizations

Standing Business Organizations	5
Greater Baltimore Committee	
Baltimore Chamber	
Maryland Business Council	
Downtown Partnership	
Baltimore Development Corporation	
Standing Utilities	2
BG&E	
C&P	
Rotating Organizations	
Financial Institutions	4-6
Manufacturers	4-6
Developers	4-6
Health Care	3-5
Professional Services	3-6
Higher Education/Foundations	2-4

3. Retain current maximum of 32 members.

4. Terms of service will be for a period of two years. In order to create continuity while staggering membership a minimum of 12 members will be rotated at the end of the first year which is May 31, 1994.

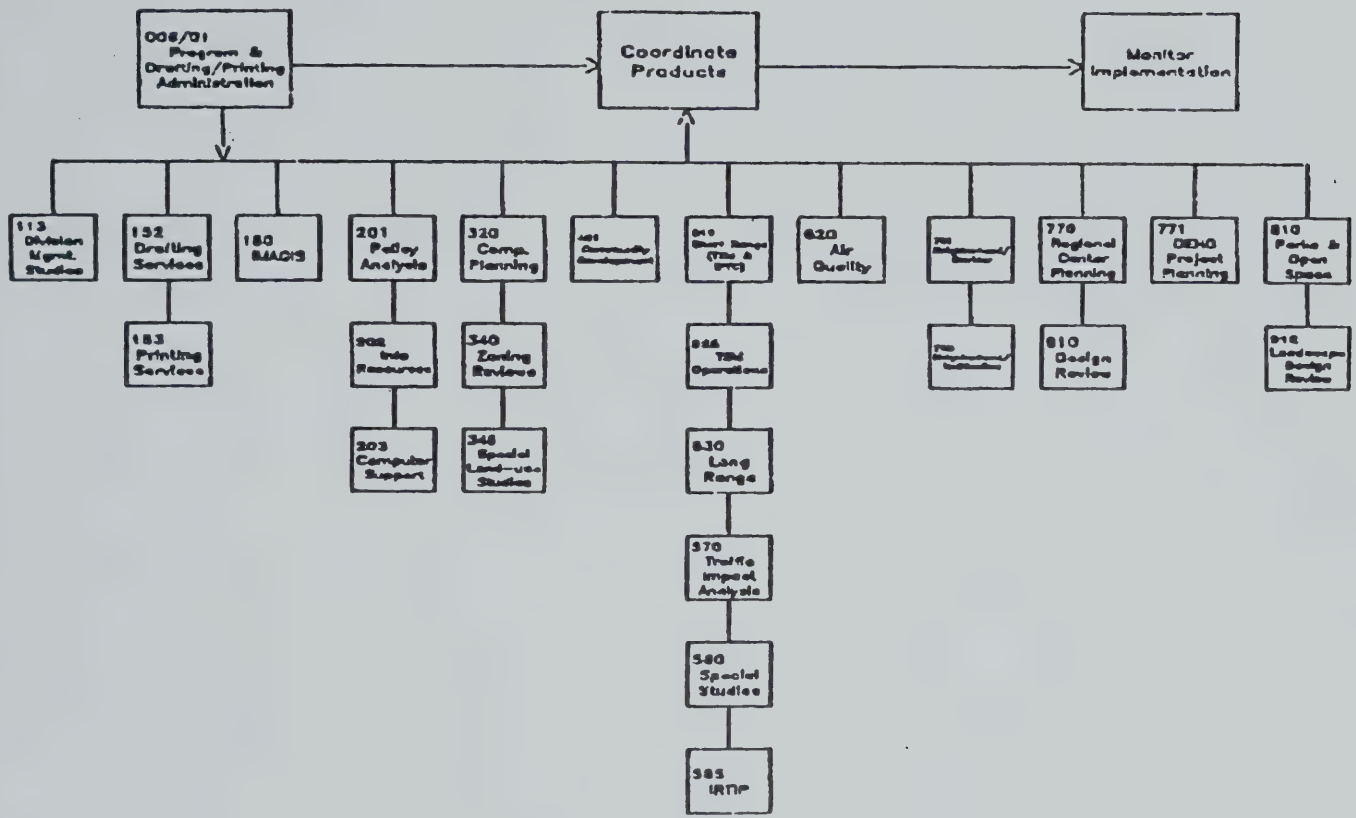
5. At the end of the second year the Mayor will evaluate the effectiveness of the Council and determine the need to continue with the Council.

6. If members are unable to make two meetings in a given year their membership will automatically expire and the Mayor will seek a replacement at his discretion.

cc: Brady, Bramble, Goodell, Sondheim

APPENDIX NO. 5

Basic Relationship Between the Elements and Sub-elements in the 1990 Unified Planning Program
DMD – Division of Planning


006/01 Program & Drafting/Printing Administration
Coordinate Products
Monitor Implementation
113 Division Mgmt. Studies
132 Drafting Services
133 Printing Services
180 IMAGIS
201 Policy Analysis
202 Info Resources
203 Computer Support
320 Comp. Planning
340 Zoning Reviews
348 Special Land-use Studies
Short Range (TIP & TPC)
TSM Operations
830 Long Range
370 Traffic Impact Analysis
580 Special Studies
585 IRTIP
620 Air Quality
770 Regional Center Planning
810 Design Review
771 DEHO Project Planning
810 Parks & Open Space
Landscape Design Review

Acknowledgements

The following members of the Economic Development and Housing Task Force of the Mayor's Transition Committee have contributed their invaluable time and effort for this report:

Ira A. Jackson - Bank of Boston (Chairman of Task Force)

Patricia Arredondo - Empowerment Workshops

Patricia Canavan - Local Initiatives Support Corporation

David P. Dow - Boston District Council of Carpenters

Christine M. Dunn - Dunn Associates

Henry G. Kara - Attorney

William Van Faasen - Blue Cross/Blue Shield of Massachusetts

Anne P. Zebrowski - Rackemann, Sawyer and Brewster

In addition to those members listed above, the following people have assisted the Task Force by sharing their ideas, concerns and expertise:

Mike Glavin - Bank of Boston

Paul McDonough - Goodwin, Procter & Hoar

John Riordan - Blue Cross/Blue Shield of Massachusetts

Kirk Sykes - Primary Group

A variety of resource people, representing various constituencies, met with the Economic Development and Housing Task Force to discuss their issues and to provide recommendations as to how the City of Boston can do its job better. The resource people who were interviewed include the following:

Kathy Brown - City Life, Inc.

Barbara Burnham - Citizens' Housing and Planning Association

Tom Callahan - Massachusetts Affordable Housing Alliance

William B. Coughlin - Greater Boston Chamber of Commerce

Dan Cruz - Minority Developers Association

David Forsberg - City of Worcester, MA

Michael Gondek - Community Economic Development Assistance Corporation

Reverend Michael F. Groden - Planning Office for Urban Affairs, Archdiocese of Boston

Kenneth Guscott - Long Bay Management Corporation

David Keto - Executive Office of Economic Affairs

Robert H. Kuehn, Jr. - Keen Development Corporation

Patrick B. Moscaritolo - Greater Boston Convention and Visitors Bureau

Joe Nigro - Boston Building Trades Council

Marvin Siflinger - Massachusetts Housing Finance Agency

Josiah A. Spaulding, Jr. - The Wang Center

Neil Sullivan - Boston Private Industry Council

Evelyn Friedman Vargas - Massachusetts Association of Community Development Corporations

Robert F. Walsh - R.F. Walsh Company

And very special thanks for coordinating the efforts of the Task Force to:

Susan Maranhao - City of Boston

Jerry Pucillo, Jr. - Lehrer McGovern Bovis

Richard Horrworth - The Martin Group

MEMORANDUM

DATE: March 4, 1994

TO: Mayor Thomas M. Menino

FROM: Transition Committee on Education
Margaret A. McKenna, Chair

RE: Committee Report

The Transition Committee on Education was established by your mandate to review and evaluate the operations, practices and organization of the Boston Public Schools, Boston Public Library and Boston Community Centers. This Committee was comprised of 14 individuals with a diversity of backgrounds including higher education, public school advocacy, parents, business, management, law, youth services, and arts programming (full Committee list is attached). The review process was conducted over 3 months and consisted of a strategic audit of the assigned agencies as well as comparative study of innovative practices in other cities throughout the nation. Overall, Committee members and staff interviewed over 120 people to gather information on improving Boston's schools. In addition, one Committee member conducted in depth research via travel to many cities undertaking changes on the cutting edge of school reform.

Attached is the Committee prescription for improvement, a composite program developed by applying the reform lessons of decentralization practiced in Hammond, Indiana; Chicago, Illinois; New York City; Dade County, Florida; Rochester, New York; Lexington, Kentucky; and from many other cities as well as innovative independent or private efforts. Critical to the success of the attached recommendations is thorough assessment and public discussion of efforts to achieve system wide reform and improvement in student achievement. The School Department should develop detailed criteria for evaluation of this reform program. Prior to the development of these criteria the BPS should report by the end of this School Year on steps made to meet the recommendations of this Committee and set out a schedule for the issuance of reports in order to keep the public informed and involved in its progress.

Executive Summary

The Boston School System is central to the success of the City. You acknowledged this fact throughout your campaign and in your inaugural speech. The system and its schools have been subject to numerous studies and much discussion and debate. Many Boston businesses, area colleges and hundreds of other organizations have donated millions of hours and dollars to partnerships and reform efforts. While there have been many successes they have rarely been replicated or institutionalized. Supporters of system reform are becoming disillusioned and frustrated. Your election offers the hope that this situation can be turned around.

The *Boston Globe's* recent Spotlight Focus "Fixing the Public Schools" is one indicator of the public support for change. You have an opportunity to take advantage of your position as the new Mayor to galvanize support from the variety of partners into a **coordinated, focused** reform effort and to gather public support for this effort. The single emphasis of your Administration's Education program will be to provide every student with the best possible education.

We believe there are several fundamental areas that need attention!

1. **Establish support for the notion that the problems of the Schools are real and significant. These problems will take long term efforts but need urgent action now!**

2. **Principals must have real authority over budget, personnel, curriculum and facilities. The School System's responsibility and authority must be decentralized to allow principals flexibility needed to foster learning. Systems and procedures need to be simplified to allow School Based Management to succeed. Principals must be trained to be managers and new principals recruited who can manage, cultivate instructional excellence, and serve as educational leaders of school communities.**

The above two recommendations are the cornerstone of this Committee's analysis. All remaining recommendations are important, nevertheless they are only means to achieve the required, immediate reform offered by decentralization of authority and accountability.

3. **All union contracts must be refocused on the purpose of the school system - teaching children. The Bus Drivers and Custodian contracts must be revised to support educational goals. If they cannot be revised, alternatives should be examined. The Boston Teachers Union contract must create much more flexibility including revisions to seniority provisions to allow managers flexibility in personnel decisions.**

4. **The School System must set system wide competency standards including curriculum standards for class offerings and student achievement measures required for graduation.**

5. **Professional Development for teachers must be targeted to meet the new system wide standards and to train all teachers to teach in an extremely diverse community.**

The Committee has also devoted study to six additional issues that deserve significant attention in the conduct of reform efforts.

6. **the need for better citywide coordination and focus of community, corporate and institutional partnerships with Boston schools and youth programs;**

7. **the Boston Public School System need for more efficient management;**

8. **Boston Public School Department public information and parent outreach should be clear, consistent and user friendly;**

9. **Boston Public Schools should implement a system wide Violence Prevention program including both staff training and curriculum;**

10. **performance of the Revised Implementation Plan for Special Education; and**

11. **Public Schools.**

Detailed support for the eleven major improvement initiatives outlined above is attached and additional resources and background information are available.

Committee Vision Statement

This set of recommendations is merely the beginning of a process designed ultimately to improve the learning experience and achievement of our children. School improvement and child development however require more than simply the convening of an annual or quadrennial review committee. Real change will require coordinated, continual community involvement and adherence to sound administrative strategies established to support ongoing improvement. Our hope is realization of a school system within which every school pursues excellence and meets the following conditions.

Where a community supported school mission and an educationally sound plan for achieving its goals are in place. Where the principal serves as the building's educational leader in charge not only of the budget, personnel, facilities and curriculum but also with facilitating the interaction of teachers as the instructional leaders of the schools . Where the site council of parents acts as an advisory board to the principal and actively participates in the garnering of community support for the school's programs. Where all children are busy learning and the individual needs of students are given great attention. Where class size does not prohibit a teacher from implementing educational strategies designed to meet the needs of the entire class. Where classes are inclusive and without tracks allowing all children to learn with and from each other. Where innovative pedagogical practices are developed, pursued and evaluated. Where teachers have ample opportunity for planning, professional development and convenient access to technology which will improve their own management of time and student evaluation and more importantly the learning experience of students. Where parents and other community partners are active, on-site participants in the education of the school's students. Where full day kindergarten is in place. Where the school is open for before-school care and after-school enrichment programs. Where the school library is a valuable and used facility both for the resources available there and for the access it has to external resources. Where principals regularly meet with peer partners within BPS and educational leaders from private sector companies to discuss progress and new strategies. Finally, where BPS administrative staff frequently visit schools not only to ensure standards are being met but more often to determine the transferability of successful practices.

Committee Members:

Margaret A. McKenna, Chair
President, Lesley College

Ed Demore, parent

Gerard F. Doherty
Attorney at Law

Dr. James Fraser, Executive Director, Center for
Innovations in Urban Education at Northeastern

Sister Jeanne Marie Girbaudo
Mayor's Youth Advisor

Esther Kaplan
Arts in Progress

Donna Lashus, parent
Chapter 1 Office

M. David Lee, Vice President
Stull & Lee, Inc.

Pat McGuigan, parent

Jim Mullen, Vice President
Middlesex Community College

Susan Naimark
Citywide Parents Coalition

Paul C. O'Brien, Chairman
New England Telephone Co. / Nynex

Juanita B. Wade, President & CEO
Freedom House Incorporated

Pat Walker
Mayor's Education Advisor

Committee Resources:

David Bechhofer, Vice President
Bain & Company

Robert T. Peterkin
Harvard University School of Education

Martha Pierce
Mayor's Liaison to Boston Public Schools

Loretta Roache, Director
Citywide Education Coalition

Conrad Snowden, Professor
Lesley College

Problem:

The Boston Public Schools have real and significant problems which require long term effort, but need urgent action at once.

Recommendation:

The Superintendent should immediately implement decentralization through school based management where the principal serves as the educational leader of the school community. Thereby, principals are held accountable for the organization of school resources and instructional practices designed to enhance student achievement and support child centered learning.

Rationale:

This report endeavors to set a course that will enable Mayor Menino to bring positive, fundamental change to the Boston Public Schools. Current reform efforts in the Boston Public Schools (BPS) are making gradual, incremental progress in a time when major system wide improvement is both necessary and possible even if complex and difficult. Historically, public school reform in Boston has been dominated by legal, political and contractual conflict. This history has resulted in our educational leaders having had to spend their time tinkering with changes in governance or work rule structure rather than developing strategies for system wide reform and change so badly needed. What has often been sacrificed in these debates is offering every child the best possible learning experience. We believe the City of Boston cannot afford any more time without a citywide system of child-centered learning. Too many children have been failed by the Boston Public Schools and this situation cannot continue.

The Superintendent and School Committee do strive for improvement and have promoted many beneficial programs, yet the Mayor's impassioned involvement is needed to transform Boston Schools into schools designed to prepare all our children for the demands of the future. This transformation is nothing less than a change in the culture of our schools. A working alliance of education and political leaders is essential to promoting a united Boston effort to supply all children the support necessary to develop into responsible citizens. The Mayor's current popularity and standing offer a window of opportunity for him to utilize his executive power and public leadership capacity to garner broad public support for system wide school change. There is vast public support for the undertaking of dramatic change essential to improve student performance. This support was evidenced by the recent focus of attention on Boston's schools, in particular the *Boston Globe* Spotlight "Fixing the Boston Public Schools". The Mayor must use his office to shape public sentiment to support the perspective that all of Boston's adults share collective accountability and blame if a child's needs are unmet.

This Committee has identified school based decentralization as the best catalyst for improving student achievement. We believe three conditions are vital to the efficacy of the reform effort.

1) union cooperation;
2) establishment of a strong professional development program; and
3) establishment of comprehensive curriculum standards with student, staff, school, and system performance standards.

A failure to meet these conditions will severely weaken our reform program.

Problem:

Boston Public Schools bureaucracy is cumbersome and complicated.

Recommendation:

Decentralize School Department responsibility and authority to the local school level. Simplify systems and procedures to focus local school attention on child centered learning. Implement School Based Management with principals in charge of budget, personnel, curriculum and facilities.

Rationale:

The Mayor working with the Superintendent, must use the influence of his office to help the Superintendent reorient school administrative functions to support local schools as they move to site based management. The Superintendent and School Committee have already demonstrated a commitment to and begun to streamline the central administration in order to maximize resources available for instruction of Boston's schoolchildren. This Committee's proposed decentralization program expands on the accomplishments to date. The Mayor's commitment of support ensures that both the political and educational leaders are united in demanding accountability and performance improvement in the Boston Public Schools.

School based management (SBM) must have a very specific meaning within Boston in order to succeed. For many teachers and some administrators in Boston schools, SBM is associated only with a bureaucratic process which is viewed as cumbersome and time consuming with little productive result. It will be essential for everyone involved with SBM in Boston to take a step back from the issues of implementation and contract development and look again at the potential within SBM for a radically decentralized system in which the locus of power is shifted from the central and district offices to local schools. Without this stepping back, without a clear link between school based management and the long term goals of reforming public education in Boston, we fear that there is going to be widespread cynicism throughout Boston about school based management.

School Based Management has succeeded and been effective in other cities. It can succeed in Boston, if it is a fundamental restructuring of the entire school system. This restructuring brings the responsibility and accountability for instruction, student performance, budget, personnel and facility use to the local school level. If school based management is to succeed in Boston, it must be a central and essential priority of all of the constituencies of the Boston Public Schools. To that end we recommend the appointment of a subcommittee of the Boston School Committee to take the lead in the ongoing implementation of school based management. Without the continued focus and commitment from the School Committee, school based management will not survive as a long term reform in Boston.

Additionally, the current Joint BPS/BTU Steering Committee, while it has done important work in launching SBM, does not have the appropriate membership to oversee its long term implementation. This body, by structural definition, links SBM too closely to contractual issues while school based management represents a much larger set of changes within the school system. Representation should be broadened to include an equal balance of parents, teachers and administrators. The new body, like the current committee, should include associate (non-voting) members representing students, business, higher education and appropriate constituencies.

Effective school based management recognizes the Principal as the educational leader of the school. The principal is the key figure in a meaningful decentralized system. The local council - like the school committee on a citywide basis - must serve as a policy group. The responsibilities of the school committee and local councils are to set clear goals and basic policies and to select an effective administrator and offer them the authority and space to do the job. Local councils must have only these policy level responsibilities or it is likely they will duplicate manyfold the faults of the old Boston School Committee.

Principals must have the authority and the training to take on a new and significantly enhanced role. Principals cannot be held accountable unless they are given real authority. Among the areas where principals need more authority and autonomy are the following:

-- Curriculum implementation: As the citywide curriculum guidelines become more clear, it should be the responsibility of the principal to develop an implementation plan for the individual school. This plan should consist of at a minimum an audit of school strengths and weaknesses and a clear timetable for implementation of all improvements including in areas such as detracking, inclusion, mainstreaming, and support of vulnerable students with a history of school failure. Once complete, the plan would be approved by the School Site Council before submission to central offices.

-- Budget: It is our recommendation that the individual school budgets be in two parts - a number of teaching lines and a dollar amount for the rest of the budget. Principals should have the flexibility to shift funds from one item to another. Principals should develop a proposed budget for their school and submit it to the School Site Council. Central office oversight of school budgets would be limited to ensuring the completion of all legal mandates and auditing.

There need to be clear, and widely agreed on, criteria for assessing the success or failure of school based management. Once created, the new SBM Steering Committee should develop a clear list of criteria to be met if school based management is to be deemed successful. Once there is an agreed on set of criteria for measuring the success of SBM, there should be a contract with an independent agency for an ongoing audit of this venture. In Chicago the system evaluation is supplemented by additional, independent efforts to analyze, assess and reward. The City of Chicago has formed networks of principals, teachers, and site councils to foster cooperation in pursuit of school based reform efforts. Also, healthy competition between schools is fostered by local businesses offering of rewards for best practices and strategic planning. Boston's school reform supporters should consider undertaking such additional support programs and should continue to study the efforts of school based management throughout the nation.

Problem:

Existing collective bargaining agreements do not offer flexibility required to successfully implement decentralization via school based management.

Recommendation:

The Mayor should utilize public sentiment in support of reform to negotiate a contract with the Boston Teachers Union that will enable the success of school reform.

Rationale:

The Committee vision for school improvement requires that each principal control their school budget, personnel, facilities and curriculum. The school department will set citywide standards and offer support and monitoring to individual schools. Development of such a school system has been obstructed by a lack of consensus of key players on how to best meet the single objective of improving student achievement and meeting the developmental needs of every child.

To achieve such a vision it is imperative to bridge the barriers of mistrust existing among the many Boston school interest groups. The BTU contract process is underway and can serve as the first step in demonstrating the Mayor's commitment to do what is necessary to accomplish school reform. The Mayoral strategy for collective bargaining should not pit parties against each other in dispute. The tenor of negotiations should stress that the single goal of all parties should be to determine the best course of action to meet the interests of Boston's schoolchildren.

The existing contract is a dramatic improvement from prior contracts because it sets a framework for discussion of school based decision making. But due to its contractual nature it is limited in resolving decentralization matters outside the contract and does not yield enough flexibility to allow for the implementation of principal controlled, school based management. To successfully decentralize the school system principals need to have the flexibility to manage personnel as they deem necessary to best serve their students. Flexibility improvements gained from collective bargaining agreements go hand in hand with the need to remove constraints on principals from central administration mandates.

BTU contractual obligations limit the authority of principals in areas of hiring, firing and evaluation of personnel. The existing seniority system offers protection and rewards for longevity and degrees earned with little emphasis on classroom performance. Assessment criteria and associated pay scales need to be revised to build incentives for either individual teachers or schools for improved performance. The current process of "bumping" personnel from site to site based on seniority protection hinders the development of a unified school staff by unleashing uncertainty and frequent staff turnover. Teachers should only be in schools where they are wanted and where they want to be. Principals must have control of school personnel to ensure the match of staff to school mission provides students with the expected education. In addition, principals should work with staff to open school doors and welcome volunteers from community organizations without fear of displacing teaching jobs or compromising the BTU contract's "jurisdiction" provisions.

Teachers job security would be assured by their successfully conducting themselves at work in accordance with performance evaluation measures. These evaluations would be structured to provide guidance on improving methods of instruction and student achievement. Poor teachers are unacceptable. If teachers receive poor evaluations and do not improve with training, they should be removed from the classroom. Their existence represents a lost year of education for many children and such a price cannot be afforded. Excellent teachers deserve rewards. Incentives should be offered to all teachers in order to encourage more staff to reach peak performance.

The changes desired in the BTU contract should also be pursued in each and every personnel collective bargaining agreement. Particular scrutiny should be given to the custodian contract. The work rule and pay structure provisions of this contract are considered by many to be a major barrier to increasing the use of school facilities for both before and after school programs.

Problem:

The Boston Public Schools do not have system wide standards for student performance.

Recommendation:

Establish comprehensive core curriculum standards. Develop assessment criteria and methods to evaluate the effectiveness of instruction on student progress.

Rationale:

Core curriculum and standards are an agreement by the community about what students should learn. The purpose of comprehensive core curriculum standards is to establish a set of minimum coursework in order that all students have equal educational opportunity. Performance standards set high aspirations and support curriculum standards by identifying basic competencies for all children to achieve prior to graduation. In a school based management system, individual schools must have a vision of excellence before pursuing their locally designed program for maximizing student learning. Core curriculum standards and student performance measures should have broad parameters. The intent is to encourage and not to restrict local school pursuit of innovative programs designed to meet the diverse needs of each school's student population.

The Boston Public Schools is currently undertaking a curriculum standards development process via a committee of predominantly BPS personnel. This process envisions having standards in place in two years. This process should both be accelerated as rapidly as possible and include a wider audience. Many major cities have excellent core curriculum standards that function well. Boston school officials should allot time for a responsible research period of other cities' standards and during this time should also conduct numerous public hearings to develop curriculum standards tailored to meet Boston's needs.

The process of curriculum standards development may be nearly as important as the outcome. If community involvement can foster widespread investment in the goals for Boston's students it is likely to reinforce the notion that the Boston Public Schools urgently need system reform and also a citywide level commitment of resources to help children. The framework for public discussion could be the following: how does an educational system develop its curriculum, its structure, its procedures, and its instruction so that each student has the maximum opportunity to develop to the fullest extent possible both academically and in terms of self esteem.

This Committee enthusiastically supports a public process for creation of comprehensive core curriculum standards and does not wish to prematurely shape any components of this plan, but nevertheless is compelled to offer the following compendium of suggestions:

Core standards need to stress development of skills which all people need: strong written and verbal communication skills; ability to analyze, think critically and problem solve; ability to perform comfortably before others; ability to exhibit strong social skills; healthy respect and value of cultural diversity; persistence in learning (lack of or diminished fear of failure); ability to plan, set goals and work toward achievement in all things; and a sense of responsibility to self, family, community and society. These desired outcomes should dictate the instruction and content of our school system's curriculum and programs.

Establishment of comprehensive core curriculum standards should ensure fairness for all students. "Basic" classes which offer less than necessary skills should be eliminated in order to strive for high achievement by all students. All schools should reduce the use of "pull out" programs which label students and effectively "track" them via separation into different educational programs. To ensure continuity in each child's education additional support should be offered in key transition years - change from elementary to middle and middle to high school. Core curriculum standards should reflect the multicultural nature of Boston and stress respect for diversity.

It is imperative for our schools to develop responsible criteria for assessment and evaluation of each school's effort to meet the common core standards. Accountability for failure to meet objectives will reside with each principal. In setting evaluation criteria the Boston Public Schools should coordinate with the assessment studies of George Madaus and John Cawthorne of Boston College now underway within many Boston public schools.

Additional elements important to consider in developing comprehensive curriculum standards:

- full day kindergarten for all children

- extensive study and demonstration of competency in math, science, English, history, foreign language, arts, physical education and computers

- Algebra offered to all middle school students

- Reading required in all grades every day. Early childhood reading should be the keystone of lifelong learning. Boston's Reading Recovery program is a best practice promotion of this invaluable skill and should be implemented citywide.

- Implementation of a Violence Prevention Curriculum in all grades.

- consideration of a requirement of Community Service with voter registration for those eligible

(*) Supplemental to the public hearing process on curriculum standards could be a public hearing on innovative technology either active or available for use within the Boston Public Schools. The Massachusetts Corporation for Educational Telecommunications (MCET) is just one of many school partners that could attend a public forum aimed at expanding learning opportunity through use of technology. MCET is cited because it has offered to assist in meeting the Mayor's Inaugural Address promise to broadcast English as a Second Language (ESL) classes on television citywide. Many other worthwhile ventures may be available and should be explored through full public dialogue.

Problem:

Boston Public Schools do not provide enough professional development and that which is offered is not strategically coherent.

Recommendation:

Institute professional development that is targeted to best meet the needs of students through consistency with the newly developed system wide standards of performance.

Rationale:

Student achievement relies first and foremost on quality instruction and personnel. There are many outstanding teachers in Boston's schools. However, there are also large numbers of teachers who need to upgrade their skills. Therefore, all instructional personnel should receive professional development targeted to improve performance. The purpose of professional development is to set high standards for teaching quality within common goals of support for the curriculum and standards of student performance. Professional development is not only for teachers having difficulty, it is an imperative for all teachers. The demands of today's classrooms are great and constantly evolving. Professional development must reflect this dynamic and ensure students needs will continue to be met. At a minimum training should include methods to meet every child's needs in untracked, multicultural, and inclusive classrooms.

In the long run, the school department, in cooperation with the BTU and appropriate parent groups, should establish a continuing Academy for Professional Development. Boston's school staff currently has many beneficial training opportunities offered by the School Department, business community and local institutions; but this Academy format is essential for developing a coherent development program with an evaluation function. This Academy should be independent yet should work closely with the school department, the union, parent groups, local universities and other training groups to provide continuing monitoring, training and evaluation of all personnel and practices in a school based management system as it operates in Boston. Studies of other cities where school based management has succeeded show that such an outside group - linked but independent - can provide the best framework for the ongoing implementation of instructional and administrative best practices essential for true decentralization in a school system. These academies hence serve as Best Practice Institutes which catalogue, analyze and disseminate program models which integrate system curricular changes with school based management. Also essential is for parents to receive support and training that will help them be fully equal partners in the decision making process for their school.

Primary training emphasis prior to the commencement of school in the Fall must be concentrated on ensuring principals are prepared to meet the increased responsibilities as real educational leaders in charge of budget, personnel, facilities and curriculum. Training will emphasize developing instructional leaders competent in managerial procedures. Principal training will include careful evaluation to ensure they are capable to serve in their new role. If during this process, a principal demonstrates an inability to operate as educational leader and manager, they will be replaced. Accountability standards will be clear for Principals and all BPS personnel.

The Committee believes the private sector is both capable and willing to support this management training effort. Local businesses and institutions have demonstrated their strong support for the Boston Public Schools through valuable partnership programs that have offered a huge infusion of resources. A request for private sector assistance in the training of principals represents a mere fraction of existing contributions and calls for management training services which are clearly in the realm of private sector expertise. Most importantly, this support is extremely focused and targeted at what this Committee believes is the single most crucial change required to bring system wide reform - excellent principals serving as educational leaders with authority and responsibility. The private sector has been waiting to assist in an effort that is targeted, cost efficient and demands accountability.

Ideally, corporations and other private institutions can take a step beyond aid for training and donate the services of 117 top managers to serve as partners / mentors with principals. These principals will have a new set of responsibilities and will need support from both educators and managers to succeed and yield improvement in student achievement. Such a partnership will reinforce the conviction that our children need the help of all of us in the City of Boston.

Problem:

City education and youth services are not closely coordinated resulting in under utilization of public facilities and inefficient use of resources available for community programs.

Recommendation:

Inter-agency cooperation and City coordination with private organizations must be improved to ensure efficient resource use for nurturing Boston's young people.

Rationale:

The best thing that adults can offer in support of children is sharing of ourselves as mentors, role models, or providing other opportunities such as jobs. If Boston seeks to develop children into responsible young adults, then we must assume that role first. In order to reverse the alarming trends of youth violence, teen pregnancy and drug use, children must have a vision for a future of promise that is shaped by knowledge of adults who are responsible and plan for the future. To successfully undertake this serious task we recommend the following course of action.

Community Based Needs Assessment - should be conducted in every City neighborhood to identify existing education and youth enrichment programs and facilities. The objective of this effort is to ensure that City and private programs can maximize impact by working together to avoid wasteful duplication of efforts and share resources, facilities and/or information as necessary. An example of an existing program that develops a comprehensive family/community involvement program with schools is the "Whole Village Project" of the League of Schools Reaching Out at the Institute for Responsive Education. This effort in three Boston school communities recognizes that such coordination is required to nurture children.

In conducting a needs assessment attention should be concentrated in the below listed areas.

Facility Utilization: Extended day programs (operated by the school or a community agency) are desperately needed in every school. Hours of school buildings, libraries and community centers must be expanded to accommodate the broad use by local community based agencies during "non-traditional" business hours. Additionally:

(a) Appropriate funding be allocated to cover the cost of expanded hours for after-school from 3-9 PM and Saturdays (9-1). Cost analysis required.

(b) Development of policies, procedures, practices which allow community-based agencies to use these facilities at no cost.

(c) Custodian contract provisions are seen as an impediment to expanded use of public facilities. These contracts must be examined to ensure work rules best meet the needs of Boston's children.

(d) Designation of an "ombudsperson" position to be created to facilitate the coordination between the City and its community groups and organizations, particularly as such coordination relates to facility utilization. This ombudsperson should report directly to a cabinet level official or the Mayor. It is imperative that the mission of this person be to meet the needs of Boston's youth without harboring any bias regarding a particular use of facilities in contrast to another proposed use. The Committee applauds the appointment of Sister Jeanne Marie Gribaudo to the post of Mayor's Youth Advisor and supports her use of authority to meet the needs listed above.

(e) The Boston Public Schools and Boston Community Centers should utilize the implementation of school decentralization to coordinate programming, particularly where these agencies share facilities. One potential method of cooperation is the representation of membership of each agency's site advisory council on the other's board.

(f) In order to ensure Community Centers meet the needs of local communities, BCC central should provide consistent training, support and monitoring of neighborhood sites. To facilitate this effort and continue coordinated action each site should have compatible technology systems.

(g) The Public Facilities Department report on facility upkeep, capital and use requirements should be carefully assessed to determine methods for improving facility conditions consistent with community needs.

(h) The Boston Community Centers should identify opportunities for program collaboration and resource sharing with community agencies.

Corporate & Non-profit Relations: The private sector has offered a tremendous amount of resources, expertise, volunteer time, and goodwill in aiming to serve Boston's young people. We acknowledge this support and believe the City should accept accountability for the effective use of resources from the private sector. City management and assessment of partnership efforts should be improved to expand existing partnerships through enhanced communication of goals and needs and clearly defined accountability. Additionally:

(a) Enhance communications concerning program development. Ensure participant-support of an SBM program or project be fully engaged in its development and evaluation.

(b) Expand summer job, stewardship and mentor programs.

(c) Expand "in-kind" corporate contributions particularly in grant preparation and public affairs

(d) Support vocational education programs, e.g., purchase of corporate business cards through Madison Park Print Shop, auto maintenance, catering.

(e) Ensure broad comprehensive partnerships with Boston's arts and human service communities.

Partnerships with Schools and Colleges: The Higher Education Community, particularly through the efforts of the Higher Education Partnership have contributed mightily to the development of Boston's children. As with corporate and nonprofit groups the City should pledge to improve management and assessment of collaborative efforts in order to expand existing partnerships by improving communication of goals and careful targeting according to need. Opportunities abound for innovative collaborations that build on existing programs such as the Fenway Project at Bunker Hill Community College. Other ideas include:

> (a) Professional development - partnerships between BPS and public colleges and universities to provide comprehensive professional development for teachers and administrators of Boston's schools. Major grant funding for such endeavors should be explored.
>
> (b) Draw on the many college and university facilities in Boston to support sports and arts.
>
> (c) Specific program partnerships - develop new program collaborative in areas such as counseling, drop-out prevention, parenting, violence intervention and ESL.
>
> (d) Encourage an active alumni network not only of local colleges but of local high schools.

Middle School After-school Programs - must become a priority. These years are crucial developmental years that often are not targeted for enrichment programs. Children fall through the gaps of existing programs offered to daycare age children or for high school age youth. The Committee recognizes the wide public acclaim for expanding middle school programs. An example of the growing attention to this glaring need for programs is the recent grant award to 3 Boston Middle Schools to become Magnet Performing Arts Schools with expanded after school programs. City agencies in cooperation with community partners should pursue additional initiatives to meet the needs of this age group.

Full Day Kindergarten - should be offered to every Boston school child. The current half day K2 program does not make sense in terms of child development and safety or for parent convenience. The Boston Public Schools joined by appropriate early childhood agencies should analyze the steps required to offer citywide full day K2. Analysis should include but not be limited to the following: costs, space needs, transportation needs, impact on K1, and impact on daycare programs.

Problem:

The public perception is that the Boston Public Schools do not manage funds efficiently.

Recommendation:

A non-partisan Examining Committee should be appointed to review the Boston Public Schools efforts to streamline administrative functions, ensure maximum efficiency of school based management, and identify BPS resource needs today and projected into the future.

Rationale:

The general public perception of the administrative functioning and efficiency of the Boston School Department is quite poor. An independent evaluation by a credible group is required to provide public confidence in this agency. At this time the Boston Management Consortium is commencing such an effort. Their work should be studied and be considered as a possible framework for a more comprehensive independent review.

The Committee believes that the educational needs of Boston's students may require additional resources. However, until the financial management of existing funds improves, the addition of more resources will not result in improved student achievement. It is therefore imperative that the Boston Public Schools receive support in creating a sound budget and management system. To be effective. this school based management system will also require sound fiscal practices at the school site. Sound policy at the school level shall lead to a more defensible assessment of additional resources needed to support educational programs at the schools.

An examining committee should consider at a minimum the following matters:

- Resource needs of the Boston Public Schools in order to provide every student with an effective, quality education.
- Administrative improvements offered by transforming the BPS budget documents and process into a format more consistent with other City agencies.
- Cost benefit analysis of privatizing custodial services.
- Opportunities for cost savings through expansion of BPS joint purchasing with other City of Boston agencies.
- Cost implications of the State Education Reform bill provisions for extended school day and extended school year.
- Cost implications of enhancing technology - such as computers in every class.

Problem:

The Boston Public Schools do not offer enough public information to parents and the general public and what exists is not user friendly.

Recommendation:

Public education as an important City service should have well managed public information services designed to meet the needs of constituents.

Rationale:

Improved management of Boston Public Schools public information is a worthwhile investment in order to separate out the facts and significant achievements from the rhetoric and hyperbole common in discussion of the schools. The Boston Public Schools is a $500 Million dollar agency and it needs the commensurate level of public information staff to accurately inform constituents of its operations and to foster support for its improvement efforts. This Committee's decentralized model for school reform calls for significant parent and community input and therefore requires extremely effective command of information and outreach. Existing BPS public outreach efforts and public information documents do not meet the basic objectives of offering parents necessary information for making important decisions related to their child's education. To meet that end this Committee offers the following recommendations:

1) Parent task forces or target focus group review should be employed in the production of all public documents and outreach efforts. Parents should be called upon to evaluate these documents and programs on an ongoing basis.

* BPS should at once set up a task force of parents to review the School Assignment Process. The current process is extremely complicated and cumbersome and needs revision with direction provided by parents. This review should include an evaluation of the difficulties parents appear to encounter with the application forms and obtaining accurate information at the Parent Information Centers.

* Another subject of parent ire that merits the immediate formation of a review task force is the Alternative Transportation Assignment Process. At this time the BPS Transportation Office makes busing assignments based on student address and requires parents to navigate a difficult bureaucratic process to ensure transportation of their child to an after school program that is not held at home. At a minimum, the review process should consider revising the initial assignment process to include parent requests. Such an option would not only meet parent needs but would likely save BPS resources by diverting them away from the burden of thousands of change requests.

2) A visually appealing, user friendly Guide to the Schools should be developed which would provide parents:

- a candid overview of BPS history, strong points and challenges
- BPS mission statement and improvement strategy
- Reference guide/map to the Schools
- Profile of each school's programs
- School assignment procedures/process
- A guide for optimizing their child's education
- Insight to their role in supporting their child's education and school
- An outline of student work responsibilities and expectations

This guide should be developed with sensitivity to the diversity of the users and in a manner that easily communicates to and informs the reader. The objectives of this document would be to demystify the schools and offer a single document for all in the school community to employ to help each child receive the best possible education. Of course during production this document should employ the type of parent focus group recommended in #1.

3) BPS should dedicate staff to public information whose sole responsibility would be to manage the release of information to the public and to insure that the excellent programs, activities, and student/staff efforts are consistently shared with the public. This Committee believes that many excellent programs operate within the Boston Public Schools and accounts of their success should be widely distributed in order to accurately portray the opportunities for achievement in Boston.

4) The Mayor's Office and the Superintendent's Office should develop and support a Citywide School Awards Celebration and Arts Festival. Planning for these events is ongoing and should be enthusiastically supported and coordinated by the City and BPS leadership.

5) The Boston Public Schools should identify the concerns, needs and wants of its parent population. In June 1993 BPS distributed roughly 25,000 parent surveys and received only 546 responses. BPS analysis of these 546 responses concluded that overall sentiment towards the schools was positive. It is the Committee's opinion that there was not sufficient information to develop conclusions. BPS should work with local school communities to determine why such a low response occurred and undertake a revised assessment of parent interests.

To facilitate the implementation of these public information recommendations, a corporate communications firm should be recruited to design a program with BPS staff to frankly "sell" the merits of the school system as an entity worthy of broad based support and investment. Such a program would encourage parents to send their children to the public schools and assist them in optimizing their child's education. It would also facilitate the solicitation of assistance and support from the many public and private organizations in our City and from the general public.

In assembling information, guidance and support the BPS should analyze existing best practices in parent outreach which include but are not limited to the efforts of the following groups: Institute for Responsive Education, Right Question Project, and Zone based Parent Connection Network.

Problem:

The impact of school violence is expanding and requires serious attention.

Recommendation:

Implement the Safe & Secure School Plan with emphasis on staff training and instruction of a violence prevention curriculum in all grades.

Rationale:

It is important that the Boston Public Schools approach violence prevention from a system wide perspective. The Citywide Youth Safety Committees' Safe & Secure School Plan should be fully implemented. This Transition Committee believes that plan is the correct means to promote improvement in school safety and climate because it acknowledges violence is a learned behavior. Solutions to the problems of violence must be long term and consistent and must involve the concerted efforts of family, school and community. Important components of a strategy include the following:

(1) A curriculum sequence on violence prevention, conflict resolution and appreciation of diversity in grades K-12.

(2) Violence prevention as part of the overall vision for school change from the School Committee and Superintendent to every school. The training of administrators at all levels is essential.

(3) An intensive and ongoing program of staff development that addresses the need for teachers to adopt a new style of classroom management. It would include summer institutes, one-on-one consultations, after-school meetings and in class assistance by trained professionals.

(4) Parent education as a top priority to create family support for student conflict resolution skills.

(5) Demonstration sites serving as beacons of hope as models of peaceful schools.

(6) Improved cooperation with the Boston Community Centers and Boston Police Department which should be codified through Memorandums of Agreement.

Opportunity:

Superintendent's Revised Implementation Plan for Special Education

Recommendation:

Implement the Revised Implementation Plan fully through school based decentralization.

Rationale:

As a result of court approval of the Superintendent's Revised Implementation Plan, special education programming in the Boston Public Schools has expanded beyond just meeting legal compliance standards to serving the best interests of children. It is imperative that this plan be implemented with speed and care. With respect to the promotion of inclusion in Boston, the following issues must be assessed in all programs and strengthened where necessary:

School administrators must stay abreast of the research findings that are currently being generated by federally and state-funded demonstration projects, and to allow these findings to inform current practices regarding special education services in Boston. The Superintendent's Implementation Plan has a principal objective to improve the quality of services to all children, but particularly those with special needs who have been inadequately served. The effective implementation of this plan is predicated on increasing and enhancing inclusionary practices, by finding ways to support teachers who are responsible for children with special needs.

Conceptual Understanding: Faculty, administrators, and support staff (including secretaries, cafeteria workers, custodians, and bus drivers) must be made aware of the historical and philosophical basis for inclusion. Faculty and administrators must be helped to have a better understanding of and become more comfortable working with students who have a variety of learning and behavioral needs and styles.

Objective Climate: There should be a conscious effort to identify and modify sources of resistance to inclusion in staff, students, parents, and community.

Technical Aspects: For example, building schedules should insure that all children arrive on similar buses at similar times and attend "home rooms". Teaching teams are established for the purpose of supporting inclusionary practices. Training must be provided in areas such as: how to plan and teach cooperatively, how to identify and use the strengths of your colleagues, enhancing interpersonal communication and conflict resolution, mutual goal setting and peer supervision, etc. Professional literature and media, in service opportunities and consultation must be available.

Administrative Supports: Administrators must have time to meet with staff and with each other to provide and receive support for inclusionary practices. Principals and superintendents should have the opportunity to meet with administrators outside their district to receive and offer confidential collegial support. Regular and special education administration should be helped to co-develop short and long term plans for the implementation and evaluation of inclusionary practices. Administrators have ready access to and share relevant research with teaching colleagues. There should be a conscious effort to identify and use the existing skills of exemplary teachers, while working to strengthen the skills of staff members whose skills are not as well developed.

Public Relations: Administrators and staff need to actively "sell" inclusion to new teachers, parents, transfer students and others.

Student Behavior. There is a conscious effort to examine existing behavior management systems to determine if they are unbiased and effective with all students. Teachers and administrators must have training in different models of behavioral management and be willing and able to expelling differential behavior strategies to students and their parents.

Curriculum. Regular educators need to believe it is their responsibility to instruct all students, and feel comfortable knowing that students who need additional supports (e.g., 1:1 or small group tutoring) will get it from them or specialists. This situation applies to students with special needs, gifted students and bilingual students.

Assessment and Grading: Regular and special educators should share responsibility for developing grading systems. Inclusive schools practice non-discriminatory assessment. Grading or reporting systems should allow teachers to describe a student's progress since the last reporting period and grades, if used, should reflect the student's ability to use, not simply retain knowledge. The focus of evaluation should be on the functional use of skills; the ability to generalize a learning process in a novel situation.

Family Involvement: Parents of typical children as well as children with special needs must be more actively engaged in learning about inclusive education and its benefits.

Program and Staff Evaluation: Schools should institute a regular plan of assessment designed to evaluate individual, team or building-wide efforts to enhance inclusion. Administrator's evaluations of individual faculty should include specific criteria related to inclusionary practices.

College/University Collaboration: Boston Public Schools should expand and strengthen existing collaborations and create more centers for teaching and learning about inclusionary practices (among other things).

Implementation of this plan will best serve the interests of all Boston students. Budget savings will likely result due to less private placements and class sizes could be reduced due to staff reassignment.

Problem:

The Boston Public Library (BPL) needs to expand access to the general public and improve coordination with the Boston Public Schools (BPS) and other City agencies.

Recommendation:

The BPL should work more cohesively with other City of Boston agencies. A Memorandum of Agreement with the BPS should institutionalize effective, coordinated service to the City's schoolchildren.

Rationale:

Research is a significant element of the Library mission and should not be downgraded. However, the Library must adopt the credo "A Library of the People" and stress the primacy of circulation to the general public with particular emphasis on children. The Library must reorient itself to circulation service as its number one priority.

The Boston Public Library Foundation's *Schools Program* offers a major public vehicle for citywide cooperation which should include the Mayor, School Superintendent and Library Director. This exciting undertaking was initiated last year with great participation and publicity and should become an annual tradition and symbol of Boston's very public commitment to strengthening literacy. This program offers a major opportunity to develop a Citywide public relations theme regarding the Schools, Libraries and/or literacy. Ideas include: "Schools (or Libraries) are the Hub of Boston", "The BPL Card, 'Don't leave home without it"'(with requisite permission of American Express), or reuse of the "Reading is Fundamental" theme. Additional recommendations follow:

(1) Public access to Library resources should be increased through extended hours of operation. Branches should be open at least 2 evenings a week and at least 2 Saturdays a month. The Central branch should be open 7 days a week. The Library is currently developing a cost analysis for the proposed expansion of services.

In order to meet the needs of increased public demand, the Library should consider increasing the depth of service by ensuring that each branch library has a children's specialist and each district library has a young adult specialist. The Library should analyze the current status of assistant district supervisors who also serve as branch librarians. Regarding this staff, relevant issues requiring resolution include what are the necessary administrative tasks of these assistant supervisors and does the existing dual role diminish effectiveness. In addition, at present dial up direct access to the entire catalog at the Central library is available to branch librarians. As soon as is feasible, all citizens should be able to dial in. At this time there is the ability to dial in from Branches or outside the system but true public access is not available as only ten ports are dedicated for public use.

(2) A Memorandum of Agreement (MOA) between the BPS & BPL should be crafted immediately. This contract should clearly delineate the responsibilities of personnel in each agency ranging from the leadership to staff out in the local schools and library branches. BPL standards from 1852 should be the measuring rod for this future cooperation:

... the Trustees would endeavor to make the Public Library of the City, as far as possible, the crowning glory of our system of City Schools; or in other words, they would make it an institution, fitted to continue and increase the best effects of that system, by opening to all the means of self culture through books, for which these schools have been specifically qualifying them.

Also guidance may be offered by the recently issued joint statement of Massachusetts School Library Media Association & Massachusetts Library Association of Children's Issues Section on school / public library services to children.

Items for consideration within a MOA which will require a timetable and cost analysis include but are not limited to the following:

- responsibilities of branch children's librarians regarding school visits.
- establish a telephone link (dedicated line) between Library branches and schools in their areas and a dedicated port for all schools to the Library Computer Center
- expand existing BPL mobile delivery system routes to include the schools
- semi-annual meeting of BPS & BPL leadership to plan for school year & summer programs
- quarterly meetings of branch librarians with school staff (at a minimum - principal & school librarian and ideally time at a full school staff meeting)
- amnesty program for book return with a component for analysis of books gained & $'s lost
- assignment alert procedures for teachers to branch librarians
- production of a single summer reading list linked to the summer reading program
- maximum utilization of the Higher Education Information Center
- BPL assistance in upgrading the skills of school librarians
- BPL assistance in conversion of school library cataloging and subject systems from Dewey and Sears to Library of Congress
- recognition of successful branch library - school cooperative efforts
- The BPL and BPS should jointly conduct a demographic study to assess neighborhood populations and plan for efficient utilization of existing resources and future capital needs. A demographic study has been planned for many years and needs to be implemented at once with a timetable and commitment of resources agreed to in the MOA.

(3) The Mayor should reintroduce a Home Rule Petition (initially submitted by Mayor Flynn) to expand the Library Board of Trustees from 5 to 9 members in order to have more neighborhood representation, enhance fundraising capability and remove frequent threat of meeting cancellation due to inability to seat a quorum. The City Council amended the prior petition to include Council approval. This Committee does not support such an amendment, the Mayor should fully control appointment of Library Trustees. Efforts to submit this petition should be coordinated with Boston's delegation at the State House, in particular, the Senate President who is a long-standing member of the Library Board of Trustees.

(4) The BPL Trustees are mandated to appoint an Examining Committee each year to report on the operations of the Library. Since 1989, no Examining Committee has been appointed as a result of BPL union objections and threats to sue over publication of that year's Committee report. The appointment of an Examining Committee should take place annually and the Committee should have a specific charge. In addition, the conclusions of the 1989 Examining Committee on custodial care should be carefully analyzed. There is a need for improved coordination of custodial care with local branch needs. The current governance structure of custodial care needs to be augmented.

(5) The Library needs a predictable, multi-year funding scheme to allow for strategic planning for
* introduction of technology on a logical schedule (pre 1978 research material should be in machine readable form)
* collection acquisition
* staff development and deployment

Planning for these important service components cannot be successfully accomplished without more multi-year certainty of budget appropriations.

(6) The Library should develop a comprehensive and meaningful program to use volunteers within the parameters of the current union contracts. Staff shortages stand in the way of many service delivery options and an enormous residual amount of public goodwill for the Library as an institution could be tapped to mitigate for potential gaps in service.

(7) The Library should conduct an annual survey of users. This survey could be augmented by permanent installations of suggestion boxes. The survey could provide ideas for enhanced service and important demographic information.

In conclusion, the Transition Committee offers its gratitude to the employees at Arthur D. Little, based in Cambridge, who through pro bono service offer a strategic vision to the Boston Public Library and have helped shape these recommendations. A.D. Little's final report is expected to be completed in March and should offer additional detail regarding implications of these recommendations.

MAYOR'S TRANSITION COMMITTEE

PUBLIC SAFTY TASK FORCE

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March 4, 1994

Honorable Thomas M. Menino
City of Boston
One City Hall Square
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Dear Mayor Menino:

On behalf of your Public Safety Task Force, I am pleased to present you with our findings and recommendations. At your request, this Task Force undertook a strategic audit of the City's public safety departments. Our mandate was to review the mission, policies, operations and organization of the departments with the goal of identifying ways in which each could more effectively and efficiently deliver the services needed by the citizens of Boston. Review of briefing and background materials provided by each department was followed by formal interviews with the department's directors, key policy advisors and, where appropriate, the officials charged with overseeing the department's public safety function.

The attached report outlines the results of our study and deliberations. In some cases, the Task Force has made recommendations for specific reforms that we believe will result in improvements in the delivery of services and cost savings for the City. In other areas, we have identified several important issues that warrant further study through a more comprehensive organizational audit of operations, budget and deployment of resources. We believe that such an audit would provide you and the departments in question with the hard data necessary to inform future decisions concerning the observations, issues and recommendations included in this report.

The Task Force thanks you for the opportunity to serve you and the people of our great City. We sincerely hope our work will help you make Boston an even safer place to live, work and visit.

Sincerely,

Wayne A. Budd
Chairman

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BOSTON POLICE DEPARTMENT

The Boston Police Department has committed itself to a challenging and praiseworthy community policing plan. The Department has requested an additional 300 patrol officers achieve the plan's successful implementation. While funding for those officers is sought, the Task Force has identified a number of possible internal reforms which could move the Police Department significantly toward this staffing goal. However, the true success of Boston's community policing plan will depend not only on more officers, but also on the Department's ability to effectively train those officers in community policing skills on an on-going basis and work cooperatively with the City's many other policing groups. Community policing will not be implemented quickly or easily - there are many obstacles along the path to success. The continuing challenge to community policing will be to learn from various implementation activities and to resist falling back on old and familiar policing strategies.

Needs and Opportunities

Over the past few years, the Boston Police Department has undergone significant external and internal evaluation and restructuring. In 1992, after the St. Clair Commission concluded that the BPD had failed to both embrace and execute a comprehensive community policing strategy, the Department responded with an ambitious and commendable plan for converting all of their operations to the practice of community policing. This plan set out an aggressive framework, schedule and list of tasks, many of which have not yet been accomplished.

In its review of the Boston Police Department, the Public Safety Task Force was struck, not by the organization's resistance to the new ideas and philosophy of community policing, but by the strong organizational and cultural obstacles within the Department to implementing their community policing plan. While these obstacles to some degree are dominated by the need for more money and patrol officers, they also include many internal barriers such as contractual restraints, training inadequacies, technology shortfalls, and organizational resistance.

It is these internal constraints to the successful implementation of community policing in concert with inefficient staff allocation and jurisdictional practices on which the Task Force focuses its recommendations. It is our hope that further study and implementation of these recommendations will bring the Boston Police Department closer to realizing its community policing goals.

Recommendations

- **Support the full implementation of community policing - as a first step, find ways to put more officers on the streets.**

"Community policing" is increasingly regarded as the most promising approach to preventing crime and fear and improving the quality of community life. In the past, traditional police departments have seen their business as law enforcement with an emphasis on "serious" crime. They rely primarily on three tactics: patrol, rapid response, and investigation. These departments are largely reactive, acting after a crime has been committed. They value their independence and autonomy, and are highly centralized with power concentrated in the commissioner and headquarters.

Practical experience and formal studies (ie. *The Kansas City Preventive Patrol Experiment*) alike have revealed that this type of traditional rapid response approach to policing has failed to deter crime or reassure the public. The focus on an after-the-fact response to serious crime led the police to devalue the interests of neighborhoods in controlling fear, disorder, "minor" crimes like prostitution, and other insults to the quality of community life. The emphasis on individual incidents made it difficult to get at underlying problems, and forced a reactive posture when the public wanted prevention.

Community policing explicitly recognizes the importance of communities' concerns and priorities, and the necessity of community support and partnerships if real progress is to be made. Community policing works to identify *why* things are going wrong and frame responses using a wide variety of often untraditional approaches. Community policing works to increase police accountability to neighborhoods and communities, offer them the kind of service and attention they desire, and craft innovative working relationships.

Despite these ideals, in many cities across the country the implementation of community policing has had a mixed record of success -- not for a lack of trying, but in most cases for a lack of resources. The Public Safety Task Force found that the Boston Police Department has accomplished a very important first step of laying the groundwork with a thoughtful community policing plan. To take the critical next step toward the implementation of community policing, however, the Department needs to put more officers on the streets.

The Police Department has requested funding for 300 more officers to insure the effectiveness of its community policing strategy. While the City seeks funds to sponsor these new officers, the Task Force suggests several ways the Department's internal operations and staffing might be restructured to free-up more officers for street patrols.

These recommendations, as outlined below, represent just a few of the many steps that the Police Department could take to improve and make more efficient its spending and staffing practices that currently hinder the implementation of community policing. When addressed, these changes can deliver many needed additional patrolmen to Boston's neighborhoods.

- **Encourage continued decentralization of the Department.** This must be done to develop the increased accountability to the community required for successful community policing and to free-up officers in administrative positions. For example, some of the specialized units (ie. drug unit, sex crime unit, etc.) could be reorganized to return their responsibilities to the districts and individual neighborhoods.

- **Flatten the structure of the command staff.** The BPD is currently a "top-heavy" organization with a disproportionately high number of Superintendents (7) and, in particular, Deputy Superintendents (14). As the Department decentralizes, some of this concentrated authority can be spread out to separate Areas, increasing local accountability.

- **Reorganize and decentralize the detective bureau.** A significant portion of the detectives sworn members should be reassigned to problem-solving duties in specific districts. The district detectives can be reorganize into "beat detectives," with cases assigned by geographic beat, rather than by who happens to be working a given shift.

- **Replace sworn officers in clerical and administrative positions with civilian employees.** Nearly 15 percent of officers are currently inside on administrative duty. One example of a way officers could be freed-up for street duty would be to hire civilian data entry clerks to free-up detectives using the computerized Detective Case Management System. Similarly, sworn members other than uniformed patrol officers can be used for support functions that are customarily assigned to uniformed officers.

- **Replace officers assigned to the Paid Detail Unit with civilians.** Currently, each Area headquarters has a "detail officer" who assigns detail work to officers within that district. This job could be easily transferred to civilians freeing-up as many as 30 officers for street patrol duties city-wide. As a next step, detail distribution should be computerized and centralized, thereby dramatically reducing the number of persons required to assign detail work.

- **Reassign officers currently assigned to the Hackney Unit** - this could free-up nearly 20 officers for other duties. The Hackney Unit inspects and regulates the City's 1,525 taxis. While the BPD should maintain regulatory and enforcement responsibilities (ie. ticketing, penalties, arrests, etc.), the Boston Transportation Department could take over the taxi inspection and driver training duties. The BTD, which in the early 1980s assumed responsibility for parking ticket duties previously held by BPD, is both programmatically and organizationally well suited to carry out the function of taxi industry inspector. However, BTD may need additional space and staff resources if it undertakes this added responsibility.

- **Restrict the officer work week to a maximum number of work hours not to exceed twice the "normal" workload, except in the case of emergencies.** At present, police officers can work up to a maximum of 112 hours per week including overtime and detail hours. These long hours contribute to officer fatigue and significantly reduce the quality of service they can provide while on duty. New limits could keep officers from overextending themselves physically and emotionally, and could contribute to improved job performance.

- **Fast-track the installation of new advanced technology systems to assist community policing efforts.** This includes the installation of centralized, computerized imaging for ID and fingerprinting, the new Computer Aided Dispatch System and the Detective Case Management system. The sooner this system is in place, the faster more police can be put on the street and armed with quick access to important community policing information.

- **Work with City to eliminate over-time tracking delays.** It currently takes nearly a week to process requests for over-time pay. As a result, more over-time is offered to officers than may be available and expenditures on over-time frequently go over budget. The assignment of over-time hours should be computerized to eliminate this costly system delay.

- **Develop a more aggressive "strategic planning and development" unit** that will actively pursue external sources of funds (ie. federal grants, etc.) to support community policing efforts. This unit should be coordinated with the Mayor's Office of Community Affairs.

- **Encourage the unions to endorse the philosophy of community policing.** Amend union work rules through collective bargaining to improve compatibility with the Department's new mission and to improve the work lives of police officers. For example, put supervisors on fixed shifts so they will work the same shifts as the personnel they supervise.

- **Develop an appropriate method to measure the relative success or failures of community policing.** Without an suitable method to measure the results of their community policing strategy, the Police Department will not be able to gauge the effectiveness of their efforts and learn to allocate their resources most productively. Such methods could include the use of citizen surveys and police records to measure the level of community perception of fear and disorder, and the Department's effectiveness at problem solving and community consensus building.

- **Develop effective community policing training programs.**

  Another key factor that has contributed to the failure of community policing in many cities across the country is cultural bias within the police institution itself. Community policing in many ways is incompatible with traditional policing's structure, management, and tactics. Making patrol officers responsible for problem solving, for example, means granting them status and discretion not easily combined with a tradition of ordering street officers around by radio from headquarters. Developing a departmental capacity to respond in a comprehensive fashion to community concerns cannot easily be combined with a structure that allows specialist squads to operate independently of geographic commands. The creativity, flexibility, and initiative that community policing demands cannot easily be combined with the intensely structured hierarchy and management style that mark traditional departments. Departments that commit themselves to community policing, therefore, are committing themselves to major change.

  To commit to change is one thing, to institutionalize those changes is another. While there are many within the Boston Police Department who have fully embraced community policing, it will be a lengthy and difficult task to instill the philosophy of community policing in the majority of patrolmen and officers who have spent a lifetime honoring traditional policing. The Task Force therefore feels it is critical for the Police Department to develop an extremely effective and thorough community policing training program - one that provides on-going education and practical training for *all levels* of police officers. To best aid the implementation of community policing new training programs must:

  - **Develop and reinforce community policing skills in both new recruits and older, more experienced officers.** Several cities across the country have developed innovative approaches to in-service community policing training that have been very effective in educating their police officers. For example, the Seattle Police Department requires all of its uniformed officers to serve on a "community policing team" at least once during a several year period. Each team is made up of six officers who are solely responsible for policing a designated neighborhood. Officers rotate onto a community police team at staggered intervals and, after a set number of months, return to more traditional policing duties with a better understanding of and respect for community policing. Many of Seattle's officers, however, choose to remain on their community policing team. In addition, Seattle employs many uniformed civilians in certain community police roles. This unique approach exposes *all* police officers and many of the Department's civilian employees to the philosophy and realities of community policing while aiding the Department in identifying and promoting those who enjoy and excel at community policing practice.

Many other cities also provide interesting examples of innovative and successful community policing training programs. Included in these are the cities of San Diego, California, Portland, Oregon, Ann Arbor, Michigan and Austin, Texas. These successful programs focus on developing communication, beat profile and problem solving skills and make the critical step of showing the officers how to put these skills into practice - the essential link between theory and reality.

The Boston Police Department should study these and other model training programs to develop its own thorough and effective in-service community policing training program. The Department's new policing philosophy and strategy will only work in Boston if officers *at all levels* are carefully and convincingly educated in the merits and rewards of community policing. As the Task Force learned, these many good examples of innovative and effective community policing training programs provide an excellent experiment in new methods of training police officers. The Boston Police Department should use this valuable experience and knowledge garnered in other cities to develop its own specially designed community policing training program.

- **Train officers to achieve the best and most effective use of the new communications technologies** - enhanced 911, Computer Aided Dispatch, Mobile Display Terminals, etc. Only with a full understanding of the use and potential effectiveness of these new technologies will the officers be able to use them to best identify and address community problems. The most effective use of the new technology will also free-up more officers now in administrative positions to join the community patrol force on the street.

- **Foster a new approach to the traditional "reward" structure of the Police Department.** Rewards should be developed that promote successful community beat work as a valued, high-status contribution to the Department and the City. For example, such rewards could include salary and benefits increases, special community service commendations, and other honors that publically link advancement with upholding the community policing values of the Police Department.

- **Resolve jurisdiction disputes.**

Again and again, as the Task Force examined the City's policing entities the complications of jurisdiction came up as an important and pressing concern - turf, who controls it, the bounds of that control, who has ultimate authority, and information sharing concerning that turf were all difficult and often unclear issues among the City's policing groups. To resolve these turf disputes, the Task Force feels that the City must develop an accountable system for coordination and information sharing. At the very least, this means developing a consistent and clear set of agreements and information sharing procedures among the City's policing entities. At the most, this may mean merging some of the special police functions with the Boston Police Department.

A more through organizational audit of the City's policing groups should be conducted to study these issues and several additional jurisdictional concerns outlined below:

Auxiliary Police Forces

In addition to the Boston Police Department, the City has three other departments with public safety functions. These "special" police forces operate under the purview of the Housing Authority, School Department and Public Facilities Department. In our interviews with personnel from each of these departments, their commitment to serving and protecting specific populations within the City was evident. In many regards, the City's residents are fortunate to have these "auxiliary" or special forces: their dedication to a specific jurisdiction within the City provides an expertise and readiness that can both free up and back up BPD officers.

At the same time, the difficulties inherent in the sometimes overlapping responsibilities, and the additional attention required to ensure coordination and harmony of efforts also became clear. The issues of jurisdiction and coordination among these organizations are complicated and pressing. While many commendable advances have been made to increase the cooperation between the BPD and the other police groups, additional improvements need to be made to ensure the most efficient delivery of services to Boston's citizens.

- *Municipal Police.* While the Task Force recognizes the need for building security and the role it plays in preserving the City's assets, strong consideration should be given to changing the Municipal Police's role to that of "building watchman" or "maintenance facilitator." The Task Force was not convinced that it takes a separate police department to protect and police the City's real estate holdings. Many of the responsibilities of the

Municipal Police are custodial in nature - responding to boiler alarms, etc. In addition, there has been little evidence that the Municipal Police need or use their firearms.

In all other major American cities, municipal buildings are protected by the city's police force or a private security organization, not a separate public policing entity. It appeared to the Task Force that having a separate municipal building force simply confounds the issues of jurisdiction and accountability and may also be more costly than contracting with a private security firm or merging the Municipal Police with the BPD.

The City should examine these issues in greater depth to determine the least costly and most effective way to deliver security services to its public buildings.

- *Housing Authority Police.* Although increased cooperation and information sharing with the Boston Police Department is recommended, the Task force feels the Housing Police should not be merged with BPD at this time. The Housing Police, who are entirely funded by federal grants, offer the City its first and best opportunity to experiment with true community policing. The Boston Police Department should use the knowledge gained through this force's model effort to inform and guide its own more comprehensive community policing strategy.

  The Boston Housing Authority and the Boston Police Department have been working together to develop a model program for providing residents of the City's public housing developments with a community policing security strategy. Through this partnership, which includes a component for input from resident councils and youth leaders, the BHA police will provide a continuous uniformed presence while the BPD will remain the primary responder to 9-1-1 emergency calls. The program is completely funded through a variety of federal grants and state and federal operating funds, monies which are not transferable to the City. The program involves using the sworn BHA officers and unsworn "safety officers" to complement the BPD's Housing Authority policing, and calls for 17 BPD officers to be dedicated to BHA developments.

  The Task Force believes that this program, which does not rely on funds from the City's budget, represents an early opportunity to implement a true community policing model, and to provide residents of BHA developments with the sense of security to which all of the City's residents are entitled. Efforts to implement the program should be continued, with careful attention paid to resolving issues of communication, coordination of resources and personnel, technology, and authority. Specifically, the Task Force feels the BPD and BHA should consider:

- Formalizing the agreement between the two departments to have 17 sworn BPD officers committed to Housing Authority policing, and proceed with specialized BHA training for those officers;
- Developing a dispatch protocol for Housing Authority police for the Computer Aided Dispatch (CAD) software slated to be implemented by the BPD;
- Identifying a Command-level liaison with BPD Headquarters to address issues or problems that arise during implementation of the new program;
- Addressing the limitations of BHA police authority imposed by Rule 400 and consider either a waiver of Rule 400 or a Letter of Understanding that would foster professional equality for the sworn BHA officers with the Boston Police officers;
- Monitoring the progress, problems and achievements of the program, setting up regular inter-departmental meetings for progress reports and developing evaluation guidelines for measuring relative success of initiatives.

- *School Police.* At this time, the Public Safety Task Force feels that the School Safety Services Unit should continue their work as a specialized youth community policing force. The School Department's Safety Services Unit has a different mission than that of traditional law enforcement. Given the age and needs of the population they serve, the focus for school police is necessarily on safety, prevention and development. The school police operate as part of the Department's overall support services in partnership with school administrators, teachers and parents. Like the Housing Authority Police, school safety officers operate as a specialized, community policing force in the high schools and some middle schools. They have specialized training in adolescent behavior, and invest time in getting to know students and building relationships of trust.

  The school police are licensed as special officers under Rule 400 and their jurisdiction is strictly limited to school property. They do not carry weapons, nor did anyone the Task Force spoke with, advocate for weapons for the school police. The BPD provides "external" assistance when called for serious violations of law (such as a student's possession of a gun) or the School Department's Code of Safety. The BPD also provides a police presence at T stops, school routes and crossroads. The school police communicate with the BPD to pass on information about possible problems or "hot spots" outside of school.

The Task Force was impressed with the commitment to a community policing philosophy expressed in our interviews with School Department personnel. In many ways, the particular needs of Boston's school population demand the specialized skills and enhanced familiarity of a dedicated and constant presence. The need for the school police and BPD to work together to address problems of youth violence, truancy, drugs is evident. Through a memorandum of agreement and frequent communication between the BPD and School Department, the two have been working together in cooperation. Given the complexity of problems of youth violence and disaffection, gangs, truancy and drugs, continued and increased awareness of the specialized needs of Boston's students is demanded. In addition, several issues that require the involvement from other departments arose during our review.

While at this time the Task Force agrees that a weapons-carrying police force is not necessary within the schools, we believe that a much closer partnership between the School Department's Safety Services Department and the BPD should be developed. Specifically, the Task Force feels that the Police and Schools Departments should consider:

- Identifying a Command-level BPD liaison to the School police to serve as the contact and resource person for School Department personnel.

- Holding weekly meetings with representatives from each department to exchange information about particular problems or issues, "flash points" outside of school grounds where trouble is rumored or anticipated, and other observations or information gathered by the School police to which the BPD should be alerted.

- Working together to strengthen the violence prevention curriculum, and to develop proposals that might require involvement of other departments or legislative action, such as additional supervised out-of-school activities; alternative programs for the small number of truly violent students; and providing the schools with adequate information about violent offenders who are returned to school so that other students or the offender's victim can be adequately protected.

All Public Safety Agencies

Work to insure the Police and other public safety departments' service delivery philosophy complements the City's. In the past, the City and its public safety departments have on occasion acted at odds with each other in emergency situations - not for a lack of good intentions, but for a lack of a unified and consistent service delivery directive. The City should develop a consistent and compatible service delivery strategy which synthesizes the goals of the Boston Police, Fire, EMS, Public Facilities, Inspectional Services and Public Works Departments so that they are all heading toward one common public safety goal.

BOSTON FIRE DEPARTMENT

Since 1983, the number of fire-related incidents in the City of Boston has dropped nearly 40 percent. During this same period, the number of uniformed Boston firefighters has remained relatively stable and the Commissioner is now requesting an additional 100 firefighters to support this force. The organization and mission of the Department during this time has endured, largely unchanged. The last complete management evaluation of the Department was conducted in 1969. Given the dramatic changes in the nature of firefighting and recent fire experience in the City, the Public Safety Task Force strongly recommends that the City initiate a full organizational audit to reassess the Fire Department's organization, mission and management.

Needs and Opportunities

Due to improved building codes and enforcement as well as increased fire prevention education, the number and severity of fires has steadily decreased in cities across the nation. At the same time, additional demands in the areas of environmental hazards and response, fire prevention, and code enforcement have required a broadening of the traditional role of firefighters. Fire departments have been challenged to redefine their mission and roles to adapt to the changing conditions and nature of their work. This challenge is as present and immediate in Boston as is it elsewhere.

The Public Safety Task Force recognizes that a highly skilled suppression force must be maintained to respond to fire and other emergencies. The citizens of Boston have been well served in this regard as the Boston Fire Department (BFD) has preserved and strengthened its suppression force and, as a result, enjoys a nationwide reputation as a highly skilled and aggressive suppression force. The Task Force does not advocate any diminishment of that force that would compromise the protection and safety of Boston's citizens. Nonetheless, given the dramatic reduction in incidents of fires, the Task Force recognizes the need for the Department to redefine its mission and respond more emphatically and innovatively to the changed circumstances and needs of the environment in which it operates. In sum, the Department must reexamine and redefine not only its own overall role in the delivery of safety services to the City, but the very nature and role of individual firefighters in the face of changed demands and community needs.

The Task Force believes that a better mix of fire prevention and fire suppression resources as achieved in other cities is possible with the Boston Fire Department and would result in savings from both a public safety and economic standpoint. A more uniform approach to interpretation and enforcement of fire prevention regulations should also be implemented, particularly in light of the enormous infrastructure improvements and development about to commence. A streamlining of the administrative structure of the Department could also result in potential cost savings and in more efficient deployment of resources. Focusing on the way the Department is organized would likely yield greater efficiencies, especially if the Department takes on new roles or redefines old ones.

A commitment to keeping Boston's Department at the forefront of firefighting expertise was evident throughout our interviews with Fire Department personnel. While not unique to Boston, many of the challenges, problems and issues facing the Department in the short and long-term merit a detailed, comprehensive study to assist the City in achieving the goal of keeping the BFD at the forefront. The Task Force recommends that the City undertake a full organizational audit of the Boston Fire Department to ensure that its resources, organizational structure, management, and philosophy are in keeping with current and projected demands for both fire suppression and prevention needed by the City.

Following is a discussion of the key areas that the Task Force believes should be included in a more detailed and comprehensive organizational audit of the Boston Fire Department:

Recommendations

- **Broaden the mission of the Fire Department beyond fire suppression.**

  A strengthening of the current fire prevention efforts of the Boston Fire Department should be explored. Personnel have been taken from fire prevention to maintain fire suppression strength. This is costly from both a public safety as well as economic standpoint.

  The audit should undertake to determine whether a better mix of fire prevention and fire suppression resources can be developed. At present, only 35 of the Department's 1,600 firefighters are assigned to fire prevention duties. A majority of the remaining firefighters work solely on fire suppression. The fire prevention force therefore appears to have a limited presence and scope due not only to its small size but also to its isolation from the mainstream activities of the Department. The vast majority of Boston's firefighters have no exposure to or role in fire prevention education and techniques - the very activity that should epitomize the heart of the Fire Department's mission.

  The audit should also examine how the Department's prevention activities affect Boston's visitor and business community. Fire safety regulations make up over half of the requirements in construction-related codes and standards. Fire regulations also maintain strict controls over the City's cultural and entertainment industry. While many of such regulations may well be necessary, it should also be recognized that they represent a significant cost of doing business. The audit should examine code enforcement to assure that it is designed to maximize protection while at the same time does not detract from making Boston a competitive place to live and work.

To address these issues concerning the fire prevention program, the Fire Department leadership must more fully embrace prevention as a leading goal of the Department. A comprehensive audit should examine ways to incorporate prevention into every part of every firefighter's routine and to redefine the Department's mission to encompass this updated emphasis. Also integral to this new mission might be developing a positive and proactive image for the prevention program - to one that works with business, not against it.

- *Redefine the role of firefighters.* As the mission and responsibilities of the Fire Department change, so too should the role of its firefighters. Traditionally, a firefighter's role was to wait in the fire station to respond to an alarm. During the past twenty years, as fire safety and prevention have been recognized as increasingly important, fire departments across the country have assigned increasing numbers of firefighters to prevention and fire safety public education roles.

  Today, as the number of fires declines and the role of firefighters broadens, experts agree that fire prevention and specialist positions should be mainstreamed within fire departments. Instead of sitting and waiting for fires, which are becoming less severe and less frequent, firefighters can become more active in conducting inspections, educating the community, battling environmental hazards, etc.

  To address these changing responsibilities of firefighters, the Task Force recommends that the Fire Department audit examine the feasibility of the following role and personnel changes:

  - Ways to institutionalize fire prevention and other mission-related roles in the firefighting ranks. The Fire Department is increasingly being called upon to handle a wide array of environmental and physical emergencies. From EMS to tunnel rescue to code enforcement, firefighter training, equipment, career paths, and job descriptions should reflect the demands now being made upon today's firefighters. Job specialties which meet these new demands must be made an integral part of the Department's response capability and responsibility.

  - Ways to update training so that all firefighters may be able to do the jobs of many specialty personnel in between fires. The firefighters in fire stations could be engaged in other Fire

Department-related tasks between emergency responses, such as inspections, code enforcement, and public education.

- Ways to provide incentives for firefighters to become certified EMTs. Currently, BFD has only 180 EMTs in a department of 1,600 firefighters. The audit should explore how to generate additional EMT interest and expertise and whether the Fire Department's interest in absorbing EMS is supportable. As a first step, the Fire Department could develop positive rewards for EMT training and certification.

- *Support the uniform interpretation and enforcement of fire prevention regulations.* Local efforts to enforce fire prevention regulations must be predictable and fair to business if we are to attract business and industry to Boston, stabilize the cost of housing and construction, and maintain reasonable costs of living.

Boston is poised on the greatest infrastructure building boom in recent history. Not since the hills were flattened and the Back Bay filled in has Boston seen plans of such magnitude. The Central Artery/Tunnel project, Massport's $6 billion plans for airport and waterfront expansion, MWRA's commitment to revitalize the State's water resources, and the MBTA's plans for enhancing public transportation -- all have set the stage for opportunity. We must nurture and support this.

The audit should address ways to ensure that safety regulations are uniformly enforced and that construction dollars and jobs flow unimpeded by fire code bureaucracy. The audit should focus on recommendations of ways to ensure:

- *Uniform interpretation and compliance* with all building, environmental and safety codes, standards and regulations.

- *Timely, easy access to technical advisory services* to support contractors' and authorities' good-faith efforts to comply with codes, standards and regulations.

- *Accurate, efficient sign-off procedures* that ensure timely compliance with necessary codes, standards and regulations and seamless coordination with City departments.

- *Coordination of related projects* to avoid regulatory collisions. For example, MBTA and the Central Artery/Tunnel often seek permits for construction in the same space. Staff and a system must be in place to provide this coordination.

- **Evaluate possibilities for restructuring the administration and organization of the Fire Department to achieve a higher level of efficiency.**

  At a time when fire departments across the country are reducing their ranks and streamlining their administrative structures in response to reduced firefighting demands and improved communications and technology systems, the Boston Fire Department has remained largely unchanged. Today, the City of Boston has more fire districts per capita than many other major American cities. Each district maintains its own office, chiefs, aides, clerical and administrative personnel. Ways for reducing the cost and human energy associated with administrative functions should be explored.

  To reshape the structure of the Fire Department to be more efficient and cost effective, the Task Force recommends that a full audit evaluate the following possible organizational and administrative changes:

Structure and Personnel

The audit should evaluate the current structure of the Department and its promotional practices. Like the Police Department, there are many organizational changes that might be possible to free-up uniformed personnel for more active prevention and suppression duties. Areas of study should include:

- **Possibility of consolidating the number of fire districts within the Department.** Each fire district (4 chiefs, 4 aides, car), for example, costs over $500,000/year to maintain. The audit should examine whether each district needs a separate administrative structure and which functions, if any, could be consolidated.

- **Feasibility of reducing the number of district chief positions, even if the number of districts are not reduced.** This could be done by reducing the number of district chiefs working at night or by expanding some district chiefs' responsibilities and would represent a savings of approximately $500,000 per year for each district chief position phased out. The audit should evaluate whether or not the Fire Department needs as many chiefs as it now has.

- **Possibility of replacing firefighters in non-fire-related positions with civilian employees.** For example, the division responsible for vehicle and equipment maintenance is staffed by uniformed firefighters. These duties, along with many other clerical and administrative duties now carried out by firefighters, could be preformed by civilian employees at a significant savings to the Department.

- **Ways of redefining certain roles:** for example, can the role of the safety chief, now fulfilled by 4 chiefs and 4 aides, be carried out by additional district chiefs already on duty? This, if feasible, would represent a savings of approximately $500,000 per year and would free-up one fire station for alternative use. Likewise, should the role of the chiefs' 60 aides, who are paid a total of $2.4 million per year, be redefined?

- **Review the Department's affirmative action practices, particularly in the area of minority promotions.** Only 14, or 4 percent, of the Fire Department's 362 officers are minorities. The results of the Department's affirmative action drive have not met with resounding success and ways must be found to improve this effort.

Spending

The audit should review whether the Boston Fire Department is spending its money in the right places - protective clothing, motor vehicle maintenance, etc. The Task Force quickly identified several areas where the Fire Department may possibly be spending too much or too little money. Steps toward accomplishing better spending practices that should be evaluated by the audit include, but are not limited to, the following:

- **Phasing out the fire alarm telegraph system** in coordination with the instillation of Enhanced 911 and the use of master boxes in high hazard areas. It appears that savings at minimum of $1 million per year could be achieved through such measures. There are currently 5,000 false alarms received through telegraph boxes each year.

- **Examining the Maintenance Division of the Fire Department.** Expenditures on maintenance personnel appear to be extremely high ($1.6 million) for the size of the Fire Department. Boston Fire Department maintenance activities and expenses should be studies relative to those of other cities with similar equipment and environmental conditions.

- **Exploring ways for MWRA and Central Artery projects to provide funding for Fire Department equipment and staffing.** Large projects, such as these and the Megaplex, will strain the regulatory and response resources of the Fire Department. Ways should be explored for obtaining compensation for the City for this added burden.

- **Evaluating the effectiveness and appropriateness of the Department's technology improvement plans.** Investment in information technology and other advanced forms of technology should be part of a strategic plan for streamlining the Department.

Jurisdiction

The possible merger of the Emergency Medical Service (EMS) with the Fire Department should be thoroughly examined by the audit. Any such merger consideration must be undertaken with a great deal of insight and understanding as to how the two departments operate currently to provide Boston's three-tiered response to medical emergencies.

Today, the Boston Fire Department operates as the first responder to all priority one medical emergencies. The Fire Department can generally get to any location in the City within 3 minutes, where it takes EMS medical technicians on average 7 minutes and paramedics on average 9.5 minutes. Therefore, the BFD is dispatched to all life threatening situations along with EMS technicians and paramedics in the belief that an extra 4 to 6 minutes may be critical to saving a life. In 1993, Fire Department chiefs responded to nearly 9,500 emergency medical calls, an increase of almost 40 percent over the number of EMS responses made by chiefs in 1990. Today, EMS response makes up approximately 23 percent of all Fire Department calls for service. As the nature of firefighting changes and as EMS demand escalates, this number continues to grow.

As a result of its increased role in medical emergencies, the Fire Department has suggested it assume full control of EMS services city-wide. The audit should evaluate whether or not the Fire Department is organizationally, culturally, and/or financially capable of absorbing the EMS function. The Task Force preliminarily visited these issues and came to some general findings based on the briefing material submitted by the Fire Department and EMS services. It should be noted however, that these findings are preliminary in nature and should be evaluated in much greater depth by the external audit.

- ***Organizationally, the merger of EMS with the Fire Department makes the most sense.*** On life threatening medical emergencies, the Fire Department and EMS must work closely together. Common training, housing and dispatch facilitate the team-work needed to save lives. Strategically locating ambulances in key Fire stations may also cut down on average city-wide response times for EMS service.

- ***Culturally, a Fire Department/EMS merger may be more complicated.*** In examining this issue we must look at not only whether firefighters will accept EMS functions into their tradition-bound and highly structured station houses, but also whether firefighters themselves are interested in and suited to providing medical care. Today, one EMS unit is housed in a Fire Department station. This unit has reportedly experienced some resistance from firefighters who may be threatened or feel "invaded" by a function that is not theirs. In addition, of the Department's 1,600 firefighters, only 180 are certified EMTs. There is also some concern on the part of the Department of Health and Hospitals as to whether firefighters can be effective providers of medical assistance due to more limited medical knowledge that could hinder communication with hospital personnel during emergencies. While the Task Force feels that in time the cultural barriers may be overcome with education and sensitive management initiatives, the small number of Department EMTs does not indicate enough interest or expertise to validate the Fire Department's desire to absorb EMS. Given its new and increasingly important role as the medical emergency first responder, whether the BFD gains control of EMS or not, the Department should provide accessible training and incentives for firefighters to become certified EMTs.

- *Financially, a Fire Department absorption of the EMS department may be difficult.* Currently, $8 million of EMS's $12 million budget is provided through Health and Hospitals by the State's Free Care Pool. Of the remaining $4 million, $2 million is covered by Medicaid and Medicare and $2 million is funded by the City of Boston. If EMS were merged with the Fire Department, the City would have to pick up the $8 million tab now covered by the Free Care Pool. Whether or not the $8 million from the State's Free Care Pool can be applied toward other City Hospital expenses is still unclear at this time. If the $8 million will be lost with a transfer of EMS to the BFD, this option would place an extraordinary financial burden on the City.

The Task Force acknowledges the complexity of the issues surrounding an EMS/Fire Department merger and feels that the concerns presented above deserve serious evaluation as part of the comprehensive Fire Department audit.

COMMON PUBLIC SAFETY NEEDS AND OPPORTUNITIES

Throughout the Task Force's interviews with Boston's public safety departments one issue repeatedly surfaced as a common concern: technology. Whether it be Enhanced 911, Computer Aided Dispatch (CAD), or Mobile Dispatch Terminals, each department is in the process of separately upgrading their current systems. Once complete, these expensive new technology systems will operate independently from each other and without an adequate back-up system in case of system failure.

In addition, each of the public service agencies contributes to the excessive and costly duplication of vehicle maintenance, storage and fueling sites.

Solutions to these public safety technology and equipment inefficiencies initially may be costly, but will eventually pay for themselves many times over both in terms of long-term spending and saved lives. Steps to implement these necessary solutions include:

Recommendation

- **Consolidate and share resources.**

    - *Develop one, unified emergency dispatch system.* Coordinate technology upgrades (Enhanced 911, Computer Aided Dispatch, Mobile Display Terminals, etc.) of the Police, Fire and EMS Departments. Currently, there is very little coordination between these Department's dispatch systems. The Police and Fire Department receive and dispatch assistance to calls for emergency service from separate dispatch headquarters. EMS dispatch is incorporated with the Police dispatch system. Once the Fire Alarm Telegraph system has been phased out, the Fire Department dispatch system should be incorporated with those of Police and EMS in the new Police Headquarters building.

      Reinventing government involves re-engineering the way we do business. This requires technology-aware professionals working side by side with departmental staff to look at ways that advanced and emerging technology can improve their efforts. This has paid off handsomely in the private sector.

      Today, most of the public safety agencies are reevaluating and updating their communications systems. However, due to turf conflicts and cultural differences among departments, these new technology systems are neither interconnected nor accessible to outside departments.

If we are serious about making Boston work effectively in the year 2000, consideration should be given to establishing an centralized office to coordinate its currently disparate public safety advanced technology and emergency communications systems.

Many of the ways in which public safety services can be improved and future cost increases forestalled can only be achieved by investing money up front on unified information technology and other advanced systems to help keep staff functioning at high levels of productivity.

This may translate into little or no dollar savings in the short term, but increasing effectiveness in the long term. Such investments are likely to forestall cost increases in the future because of productivity gains bought by re-engineering the ways public safety services are rendered. Most importantly, this critical unified emergency and advanced technology system will accelerate response times, make more efficient use of our public safety resources and, as a result, save more lives.

- *Develop a common 911 backup system.* Last year, a fire in Police Headquarters caused 911 operators and dispatchers to flee. Some stayed at their posts for a period of time and suffered smoke inhalation. All 911 calls were lost for a period of time. It was fortunate that no great tragedies occurred during this period.

  Currently, neither fire, police, nor EMS have backup dispatch facilities in place if Police Headquarters on Berkeley Street or the Fire Alarm Office in the Fenway suddenly became uninhabitable for any reason.

  Space in the City's Frontage Road maintenance facility should be prepared *immediately* as the primary backup emergency communications center for all public safety functions: fire, police, and EMS. Importantly, the Fire Department must begin its backup facility planning in concert with the Police Department to take advantage of the economies of building a single well-equipped backup dispatch facility on Frontage Road.

- *Consolidate vehicle and radio maintenance.* It appears that there could be excessive and costly duplication of vehicle and radio maintenance services within public safety departments. There also seems to be a wide variation in the quality of vehicle and radio maintenance totally unrelated to the cost of providing such service. The City should develop a plan to consolidate and share these critical services.

- *Consolidate fueling sites.* Across the country, the cost and liability for maintaining underground fuel storage tanks has escalated in the past three years because of more stringent environmental regulations. Governments at all levels are closing and consolidating sites to minimize their exposure. Some cities are even contracting out vehicle fueling because of escalating maintenance costs and liability. The City of Boston should also study the feasibility of consolidated fueling, housing and deployment of City public safety vehicles.

MAYOR'S TRANSITION COMMITTEE

YOUTH & FAMILY SERVICES TASK FORCE

Mayor of Boston
Thomas M. Menino

Task Force Manager
Maureen Flynn

April, 1994

Mayor Thomas M. Menino
City Hall
5th Floor
One City Hall Square
Boston, MA 02201

Dear Mayor Menino:

Enclosed for your consideration is the final report of the Youth and Family Services Task Force. This report reflects the findings and major recommendations concerning the programs and services under the aegis of an anticipated the Health and Human Services Cabinet. The Task Force was convened in mid-December and met on 11 occasions. Members of the Task Force include:

- Margaret Harrison
- Michael Kineavy
- Robert Leone, Ph.D.
- Joseph Maher, Esq.
- Christine Sturgis
- Ann Thornburg (Consultant provided by Coopers & Lybrand)
- Francisco Trilla, M.D.
- Elaine Ullian

As part of the Task Force's efforts, we conducted extensive interviews, reviewed materials submitted by both city agencies and departments, as well as materials submitted by non-City programs and interested parties. Our commitment to obtain complete and accurate information and to elicit new ideas for city government led us to interview the following individuals:

Joel Abrams, Director-Dorchester House Multi-Service Center; Jim Brooks, Director Safe Neighborhoods Program; Tom Materazzo, Commissioner-Veterans Affairs Commission; Alonzo Plough, Deputy Commissioner for Public Health Services; Luis Prado, Director-Alianza Hispana; Ann Sanders, former Director-Human Rights Commission; Gary Sandison, Mayor's Advisor on AIDS issues; James Segel, Chair Mayor's Health Care Commission; Dina Siegal, Acting Director-Office of Intergovernmental Relations; Kevin Smith, Chairperson, Gary Kaplan, Director-Jobs for Youth; Nancy Snyder, Deputy Director-Jobs and Community Services/EDIC; Elaine Taber, Director-Women's Commission; Ann Thornburg, Consultant-Coopers & Lybrand; Diane Watson, Commissioner-Commission on Elderly Affairs, Beverly Wing, Coordinator-Healthy Chinatown.

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Our report presents a distillation of many different individual's perspectives and priorities. The Task force's overriding commitment, however, is to identify the major opportunities that exist for the new administration with respect to improving the efficiency, effectiveness, and impact of City services on the residents of Boston. Maureen Flynn as Task Force Manager was invaluable in our process and in the preparation of this report. If we can be of any further services, please let me know.

Sincerely,

Elaine S. Ullian

Elaine S. Ullian
Chair

Attachment

RECOMMENDATIONS AND OBSERVATIONS

of the

Youth and Family Services Task Force

April 1994

YOUTH AND FAMILY SERVICES TASK FORCE

Objective

Mayor Menino asked the Youth and Family Services Task Force to review existing health and human service delivery systems in the City of Boston and:

1. Identify specific ways to improve the management of existing services.
2. Identify management methods that would permit the City to identify "best practices" and use the experience of these successful practitioners to continually improve the management of services available to the citizens of Boston.

Process

To make our own task manageable, we first focused our attention on the Department of Health and Hospitals, with primary attention to the specific challenges facing Boston City Hospital and the City's public health programs. The task force relied heavily on the analyses and recommendations that have been developed by the Boston Municipal Research Bureau and the Mayor's Health Care Commission. The Municipal Research Bureau had examined the financial viability of Boston City Hospital in light of the many changes in the health care environment. Its focus included the assessment of the financial burden that Boston City Hospital would place on limited City revenues.

A second study which was integrated into the Youth and Family Services Task Force's examination of the Department of Health and Hospitals was the work of the Mayor's Health Care Commission, headed by Attorney Jim Segel. The Commission, which convened in 1992, prepared a series of findings and proposed recommendations relative to the future viability of Boston City Hospital; the need for coordination among the city's community health centers; and the appropriate ways to improve the health status of all residents of the city. The Task Force has not attempted to duplicate the extensive work and commentary of the Commission. Rather, this report represents an overview summary of the important recommendations of the Commission.

Subsequent to the study of Boston City Hospital and the public health service programs, we then examined the array of commissions and departments that provide nonhealth related youth and family services. Here, our analysis focused on identifying the "best practice" with regard to human service functions. We examined the way in which the City of Boston organizes its human service functions as compared to other cities that have been recognized as having organized those functions effectively and efficiently.

We have organized our report into two parts: the first section briefly outlines our recommendations regarding Health and Hospitals, Human Services, and Continuous Management Improvement. The second section discusses in detail our recommendations.

HEALTH AND HOSPITALS RECOMMENDATIONS

BOSTON CITY HOSPITAL

The opening of the new Boston City Hospital literally represents a once-in-a-century opportunity for the City to improve both the actual and perceived quality and economy of the health care services available to the citizens of Boston. Now with a rebuilt facility, many other aspects of the Hospital and its operations must also be "rebuilt" to respond to the incredible changes in the health care marketplace. It will require:

- **MARKETING** - The City of Boston and BCH managers should undertake a marketing effort to maximize public recognition of the image change and service improvements available in the new BCH facility. Fifteen second sound bites on the evening news celebrating the opening of the new facility will not accomplish the image change necessary in the current competitive environment, nor will word-of-mouth "advertising" suffice.

  We believe that one specific marketing effort should include the aggressive use of financial incentives to encourage City employees to utilize BCH. If City employees do not voluntarily choose BCH, there is little reason to believe others will.

- **CHANGE IN GOVERNANCE** - We strongly believe that a change in the governance of BCH --ultimately to an authority or other independent entity--is necessary to achieve the cultural and operating changes essential in today's competitive advantage. BCH requires greater flexibility in contracting and employment issues so that it may respond on a level playing field with other nonprofit hospitals.

- **STRATEGIC ALLIANCES** - BCH managers are not immune from the pressures facing all health care providers to utilize strategic alliances for competitive health care market.

  With Boston Teaching Hospitals

  * BCH must accelerate the pace of cost-reduction to become cost competitive in a health care environment that has moved from a "cost recovery" to a "lowest competitive cost" operating philosophy. We strongly encourage BCH managers to exploit additional efficiencies and synergies possible through the natural affiliation with the Boston University Medical Center. Physical proximity permits economies in many nonmedical areas like security, parking and maintenance; shared strategic interests permit economies in medical areas as well.

  With Community Health Centers

  * BCH has a natural alliance with Boston community health centers due to shared values, common purposes and geographic proximity. We see opportunities for BCH to help community health centers deal with their capital needs while the centers help BCH establish its network for inpatient admissions. We also believe that the City's funding of the health

centers provides an opportunity for the Mayor's Office to encourage the development of these alliances.

- **COST REDUCTION** - Even with a new facility, improved marketing, changes in governance and achievement of synergies from greater collaboration with the Boston University Medical Center, BCH must achieve a competitive level of costs to retain or gain contracts with third party payers and their patients. The costs of BCH are higher than comparable services at community hospitals or even in comparison to the Boston Teaching Hospitals.

  No painless way exists for BCH to become financial viable: BCH must substantially reduce its operating costs. The process will require compassion and sensitivity, as well as political will and managerial discipline. It will also require culture change for everyone associated with BCH. We must stress, however, that cost competitiveness is absolutely essential to the institution's survival and to achievement of its mission on behalf of the citizens of Boston.

- **A SAFETY NET** - BCH exists to provide an essential safety net in the health care system. It is absolutely critical that BCH management and the Mayor's Office maintain the political vigilance necessary to sustain the existing legislative and reimbursement provisions now available to BCH at the federal and state levels. These funds are uniquely available to BCH because BCH is a unique provider of a health care safety net. We cannot overstate the importance of this reimbursement to maintaining these critical services. At the same time, BCH will require improved systems and information to distinguish and justify the unique costs and services in its role as a public hospital.

PUBLIC HEALTH SERVICES

The public health services of the City of Boston have a budget of approximately $42 million, with $24m in federal and state grants providing essential support to the Department of Health and Hospitals. Given the importance of federal funding, concern exists that national health care reform may result in temporary or permanent lapses in essential funding of public health programs. Therefore, the following recommendations should be implemented to insure that public health services remain a viable entity of the DH & H:

- **COMMUNITY HEALTH CENTERS ROLE** - Community Health Centers are in need of greater collaboration and less duplication.

  The public health department excels in the development of creative and innovative programs as models that can be assumed by others for ongoing operations and delivery. Community Health Centers can and should play an integral and increasing role in the delivery of public health programs (particularly in the substance abuse area).

- **LINKAGE WITH BCH** - The public health services are an important aspect of the continuum of care offered by Boston City Hospital. That link should be preserved in whatever governance changes are instituted for BCH.

- **LONG ISLAND SHELTER** - Long Island Shelter for the homeless is operated under DHH principally due to historic reasons. Consideration should be given to placing the Long Island shelter under the Emergency Shelter Commission or another alternative.

- **STANDARDS AND MONITORING** - Public health should play the primary role in the standard setting and monitoring of public health programs. The department should also play the coordinating role of assessing what the public health needs are and where there are gaps in the provision of essential services.

HUMAN SERVICES RECOMMENDATIONS

Our analysis of the City's human service agencies led us to observe that each of these organizations performed some or all of the following six functions: **enforcement**; **ombudsman services, direct services, indirect services, outreach** and **advocacy.** We identified these six functions because an appreciation of common activities (e.g., ombudsman services), functions inadequately supplied (e.g., enforcement and outreach) and relatively high cost activities (e.g., direct services) led to the following recommendations.

We believe that an appreciation of these functionally different services, coupled with a coherent strategy for coordinating common functions across service organizations, will substantially improve the availability of services to the youth and families of the City of Boston.

Failure to recognize the six different functions we have identified and failure to articulate a coherent strategy regarding the management of these functions not only sacrifices opportunities for economy in administration, but also undercuts the City's power to exert moral authority and leadership in the community.

We recommend the following to improve the City's organization of human service functions:

- **CREATION OF A NEW HUMAN RIGHTS UMBRELLA AGENCY** - The Human Rights Commission, the Fair Housing Commission and the Commission for Persons with Disabilities should be combined into one human rights or antidiscrimination agency and the city should explore strengthening existing antidiscrimination enforcement powers.

  Despite the fact that all of the commissions share similar missions, organizationally they operate completely separate from each other. Boston should adopt the model most often used in other cities whereby one agency is responsible for enforcement of all antidiscrimination ordinances. This model would strengthen the delivery of services while maximizing limited staff resources. In addition, even though according to their missions, each commission is responsible for either enforcing or coordinating compliance with various antidiscrimination laws, they are severely lacking in enforcement capabilities.

- **CREATION OF A HEALTH AND HUMAN SERVICES HOT LINE** A multilingual, user-friendly hot line for health and human services (or all city services) should be established so that Boston residents are aware of the resources and services available in the city. Informational and referral services (or "ombudsman") services are not coordinated between each City department or with community-based agencies. While services may be available in the City, they must be known by and accessible to all. The hot line will serve to expand the role of human services beyond the existing agencies and commissions by being more accessible and broad based to meet the requests of citizens who may currently get lost in the system.

- **CONSOLIDATION OF ALL HUMAN SERVICE DEPARTMENTS** - The Health and Human Services Cabinet Officer should explore consolidating all of the City's human service departments and agencies into one department with several divisions.

  The provision of services for youth and families has suffered from a lack of coordinated planning and setting of service priorities among the various human service commissions and agencies. As a result, the current human service delivery system is fragmented and uncoordinated. Having each individual department continue to perform similar functions and deliver similar programs does not seem efficient or cost effective.

  To improve coordination and allow for program planning, the City should consider adopting a model whereby one department is responsible for the delivery of all services, as in most other cities.

CONTINUOUS MANAGEMENT IMPROVEMENT RECOMMENDATIONS

We recommend that the City's managers undertake three activities to achieve continuous improvement in service delivery through lessons learned from best practice.

- The City should undertake an evaluation of performance measures currently used to evaluate the effectiveness of City departments. Evidence from throughout the public and private sectors indicates that outmoded, redundant and even counterproductive performance measures are a major obstacles to continuous improvement.

- We recommend that the City initiate an internal benchmarking activity with short and long term performance measurements. Many seemingly different service organizations actually provide a common set of functional services. Consequently, "the search for best practice should begin at home" by having City departments and commissions compare performance by functional activities. Such comparisons invariably reveal ways to improve performance that are consistent with existing systems and procedures and local bureaucratic and political realities.

- After initiating the internal benchmarking process, we recommend that the City initiate an external benchmarking process. By first identifying the "best Boston practice" and then comparing this practice with practices elsewhere, the City will be better able to implement changes based on the experience of others.

While these three initiatives alone will not guarantee continuous improvement, there is widespread agreement among members of this Task Force that successful execution of these three recommendations is necessary to the achievement of the Mayor's ultimate objective of continuous improvement in the delivery of youth and family services.

BACKGROUND, ASSESSMENTS, AND ADDITIONAL RECOMMENDATIONS

BOSTON CITY HOSPITAL

Background

In the 1980's amid the capital expansion of the Boston hospitals, Boston City Hospital was faced with the need for substantial rebuilding due to years of deferred capital maintenance of its facility.

BCH began a capital project financed with a $170 million bond issue based on expected growth in patient admissions resulting from a new facility and new marketing and outreach programs, through improved efficiencies (including staff reductions) and the continuation of special federal and state reimbursement payment provisions that covered the BCH's costs of providing services to its patients.

During the construction of BCH, a number of changes in the environment occurred:

- The state's uncompensated care pool created incentives for other hospitals to attract and care for the indigent populations which had been BCH's primary market.
- The state and other payers (particularly managed care programs) instituted programs to reduce hospital utilization and to encourage competition among health care providers based on low cost providers.
- The Boston teaching hospitals also underwent extensive capital investment to expand their markets including expanded relationships with the community health centers.
- The federal and state reimbursement regulations (in this era of pressure to reduce health care costs) are less favorable to public hospitals and BCH resulting in reduced payments to BCH. However, it should be noted that BCH still receives substantial payments in recognition of its special status as a public institution.

Current Assessment

Internal Issues

- While BCH has made substantial progress in reducing staffing levels, its costs on a case mix adjusted basis are substantially higher than community hospitals and higher than the Boston teaching hospitals.
- Improvement in BCH's operating cost structure is hampered by the organizational structure and the requirements of unions and civil service. Contracting and procurement is made more complicated as a department of the City. While certain improvements can be made within the current structure, it is increasingly difficult for the BCH to function in a competitive marketplace while other institutions do not face similar issues.

- While BCH will now have a new facility to counter the image issues of the past, its capital costs will now be higher than most community hospitals and teaching hospitals. At the same time, the ongoing maintenance of the facility will be critical to its image and ability to attract patients in the competitive marketplace.

- The changing marketplace also requires a cultural change within BCH to become more responsive to its constituencies - in terms of language, color and attitudes. The BCH culture must become one where patients go because "they want to, not because they have to."

- While special reimbursement payments have been reduced during the past few years, BCH has been very successful in obtaining certain special reimbursement payments, which contribute substantially to its revenues. Continuation of these special payments is essential to the financial results of the hospital and the limiting of the City subsidy.

- As other Boston hospitals look to affiliations and mergers to improve service delivery and cost efficiencies, BCH has a logical partner in the Boston University Medical Center for service collaboration and cost containment that is facilitated by geography and medical staff relationships.

Environmental/Market Issues

- Given the current market and the excess of hospital beds in Boston, BCH will not utilize the full capacity of the new facility.

- BCH has recognized competence in trauma, obstetrical/gynecological, and pediatrics services for the indigent and immigrants. It is also a major provider of uncompensated care and services to Medicaid patients. However, given the ability to choose, these patients have chosen other hospitals to a greater degree than in the past.

- BCH has been less successful in being attractive in the broader marketplace of managed care and other services. Its cost structure will become increasingly problematic in maintaining patient volumes from all payers.

- BCH has a significant image problem - it is viewed as a physically antiquated facility. Even among City employees, BCH has not been able to attract usage by employees and their managed care programs to the extent it should.

- A natural synergy should exist between BCH and the community health centers (CHC). These relationships (and the related patient referrals have not been maximized due to the following issues (real and perceived):

  1. Lack of collaboration between CHC and BCH physicians
  2. Serious inadequacies in BCH physical plant and facilities
  3. Lack of certain insurance contracts and the high costs of BCH
  4. Attitudes

PUBLIC HEALTH SERVICES

Background

The Public Health Division provides services through:

- Public health monitoring/intervention in public health issues
- Administration of community/poor persons' health care programs
- Direct provision of health care principally through grant funding of the community health centers.

Assessments and Additional Recommendations

- Given the importance of federal funding, concern exists that national health reform may result in temporary or permanent lapses in essential funding of public health programs.

- Opportunities exist for expanded collaboration with nonprofit and private providers. Examples include the collaboration with BCH and University Hospital for maternal/child health services and a joint venture at Mattapan for expanded addiction services with a nonprofit provider.

- The DHH should insure that services to the frail and elderly are improved through home care services.

- The Boston hospitals must demonstrate that they are meeting the community benefit standards through their services to the community which will enhance public health services.

- The Public Health Services Division has certain opportunities to increase the revenues for its services through billing of reimbursable items such as lead poisoning testing.

YOUTH AND FAMILY SERVICES

DISCUSSION OF RECOMMENDATIONS

1. **CREATION OF A HUMAN RIGHTS UMBRELLA AGENCY** - The Human Rights Commission, the Fair Housing Commission and the Commission for Persons with Disabilities should be combined into one human rights or antidiscrimination agency and the city should explore strengthening existing enforcement powers.

Problems and Issues with the Current Delivery System

Organizational Structure

As noted, the Task Force's observations of all of the different agencies in the City that provide human services led to the analysis that those departments performed some or all of the previously referenced six functions. This is very true for the commissions which deal with antidiscrimination issues.

For example, the Human Rights Commission, the Fair Housing Commission and the Commission for Persons with Disabilities each have as part of their missions to: advocate in support of rights issues, provide information and referral services, and conduct education and outreach to constituencies. Despite the fact that all of the commissions share those similar missions, organizationally they operate completely separate from each other. The Human Rights Commission and Commission for Persons with Disabilities only share administrative and support functions as part of a larger Office of Boards and Commissions. The other commissions within the Office of Boards and Commissions are not in any way similar to the Human Rights Commission or the Commission for Persons with Disabilities other than that they are very small in size and are also named "commissions," i.e., the Emergency Shelter and Women's Commission.

The Office of Boards and Commissions was originally established to consolidate administrative and support functions in an effort to "preserve City programs with limited resources." Consolidating functions to save resources of very small agencies is an excellent idea. However, it would seem to be more efficient and the needs of citizens of Boston would be served better if consolidation was based on mission and function, not size.

Enforcement Powers

Even though, according to their missions, the Human Rights Commission, the Fair Housing Commission and the Commission for Persons with Disabilities are responsible for either enforcing or coordinating compliance with various antidiscrimination laws, they are severely lacking in enforcement capability.

Currently, the Fair Housing Commission has no ability to level damages in cases of housing discrimination. Without these powers, there is little reason for someone who wishes to pursue a housing discrimination case to approach the Fair Housing Commission. Consequently, the needs of the citizens of Boston are not being served adequately by this commission.

The City is pursuing "substantial equivalency" powers for the Fair Housing Commission through a home rule petition. If the home rule petition is granted, the Fair Housing Commission will become substantially equivalent to the Department of Housing and Urban Development (HUD) and be able to levy damages for discrimination cases as the Massachusetts Commission Against Discrimination(MCAD) is now able to do. Anyone experiencing housing discrimination in Boston could then initiate a complaint with the Fair Housing Commission and receive the same consideration as if they pursued a complaint with the MCAD.

The Human Rights Commission has no real enforcement powers and is not pursuing the ability to levy damages through "substantial equivalency" powers with regard to human rights discrimination complaints. Currently, the Human Rights Commission is only able to investigate and mediate complaints. All cases which are found to have merit or cannot be mediated are then referred to the MCAD (which is a substantial equivalency agency) for resolution. The MCAD currently has a backlog of 790 Boston cases. The average time for resolving a case is 2 1/2 years. Again, without real enforcement powers, this commission's main mission is only to mediate cases and provide education and outreach.

The Human Rights Commission could pursue substantial equivalency through the Equal Employment Opportunity Commission (EEOC), which may grant substantial equivalency powers to local agencies with respect to employment issues. This allows local commissions the ability to levy damages and pursue litigation in cases of employment discrimination with regard to race, age and gender. The Human Rights Commission could also subcontract with the MCAD to adjudicate human rights cases.

The Commission for Persons with Disabilities, like the Human Rights Commission, also has no real enforcement powers even though they are the logical agency to enforce and coordinate compliance with the American for Disabilities Act (ADA). According to the commission, they are not used by City departments as the authority on ADA compliance. Instead, City departments have hired consultants to help them conform to the requirements of the ADA. The commission could be empowered through "substantial equivalency" to the EEOC to enforce the ADA with respect to employment practices.

National Models

Boston's disparate enforcement organizational structure is not common in cities across the country. In fact, it is striking how similar most antidiscrimination commissions/departments are to each other and how completely different Boston organizes its antidiscrimination functions. According to Ed Elkins, the director of the International Association of Official Human Rights Agencies, the typical human rights agency is a single, "umbrella" organization which usually deals with discriminatory practices in employment, housing, public accommodations, education, commercial real estate, public services and usually some financial matters such as redlining or discrimination in credit.

Most human rights commissions also have substantially equivalent powers to EEOC and HUD. In addition, some human rights agencies have jurisdiction over the City's affirmative action and MWBE programs. However, placing the affirmative action program within the human rights agencies can result in a conflict of interest for the commission if commission staff want to file an affirmative action type grievance against the city.

In addition to enforcement powers, most human rights commissions also have the following functions:

- *Advocacy* - both as an internal watchdog and promoting a human rights agenda for the city.
- *Community Relations* - particularly with regard to "rumor control" of potential volatile situations.
- *Educational* - regarding both rights and awareness issues for both those who are discriminated against and those who might potentially discriminate, i.e., tenants and landlords.
- *Monitoring of Hate Crimes* - commissions usually coordinate this activity with the Police Department but the commission also ensures that the Police Dept. is educated about what constitutes a hate crime.

Following are two examples of Human Rights Departments structured as umbrella agencies which deal with many different discrimination issues and also have been granted substantial equivalency powers:

Seattle
The city of Seattle's Human Rights Department, which is overseen by an appointed Human Rights Commission, is an umbrella organization responsible for the enforcement of each aspect of Seattle's antidiscrimination ordinance including: disabilities, housing, and gender issues. There are three divisions within the Department: administration, enforcement and compliance. The compliance division is responsible for enforcing Seattle's Women and Minority Business Enterprise (WMBE) program. The Human Rights Commission advocates for issues on behalf of the ordinance's protected classes and also hears any appeals of cases decided by the Human Rights Department that have a "no reasonable cause finding." The Human Rights Department is a substantial equivalency agency to HUD and is in the process of becoming substantially equivalent to EEOC. The Department attempts to resolve complaints through mediation and awards damages in approximately 50% of cases.

Pinellas County
The Pinellas County (Florida) Office of Human Rights is also responsible for dealing with employment, housing, and public accommodations discriminatory issues. They also handle ADA complaints and have community relations and advocacy functions. The County Office contracts with localities to investigate and adjudicate discrimination cases but provides hearing officers for those localities under contract.

Suggestions for Improvement

Using the national model, the Human Rights Commission, Fair Housing Commission, and Commission for Persons with Disabilities could be consolidated into one Human Rights Department. The Department could be divided into three divisions by function, in keeping with the original missions of each individual commission: enforcement of anti-discrimination laws, compliance with state and federal regulations(including the ADA) and information, referrals, education and outreach.

This model would significantly solve the problems with the current delivery system in the following ways:

1. Consolidation would strengthen the delivery of services by the department through maximizing limited staff resources. Similar services (information and referrals, etc.) which are now being performed by each commission individually could now be consolidated into one department. For example, education/outreach services would be stronger if each staff person assigned to this function in each commission were combined together to form an education/outreach division in a human rights department. By creating separate divisions, none of the former services or the missions of each commission would be lost with consolidation.

2. Consolidation by function rather than size would be a more efficient use of personnel. Currently, each commission within the Office of Boards and Commissions only share an administrative support function, which does create some efficiencies. However, as noted above, it would create more efficiencies to consolidate all of the functions of each anti-discrimination commission.

Pursuing substantially equivalent powers to EEOC should also be explored by the City so that the enforcement functions with regard to human rights and disabilities issues can be strengthened. The adequate protection of human rights ultimately requires legal enforcement capability and the actions of the Mayor send important signals to the community on the value of human rights. If the new Human Rights Department were granted substantial equivalency by EEOC, it would solve the following problems with the current delivery system:

1. Increasing the types of discrimination complaints that could be brought to the City's human rights department(s) would reduce the amount of time it takes to resolve a discrimination complaint, which ultimately serves the residents of Boston better. The backlog of cases now being handled by the MCAD is a disincentive to anyone attempting to receive justice on discrimination issues.

2. Without substantial equivalency, the City's human rights commissions do not have any real enforcement powers and without enforcement power, the mission and the commission's reason for existing is seriously damaged.

3. Both HUD and EEOC pay agencies which have been granted substantial equivalency to handle discrimination cases. Therefore, limited resources for the City's anti-discrimination commissions could be significantly enhanced by receiving substantial equivalency powers.

If the commissions are consolidated into one human rights commission, fair housing enforcement would be under the jurisdiction of the Health and Human Services Secretariat. Despite its placement outside of the Housing and Economic Development Secretariat, a human rights commission which has responsibility for enforcing fair housing law, should continue to be consulted during any housing policy decision making process to ensure that affirmative marketing policies are a part of all housing programs and projects. It is also important that communication and coordination continue between the two cabinets regarding fair housing because HUD now expects cities to provide economic opportunities for city residents in conjunction with housing development.

The Health and Human Services Secretariat officer should also consider transferring other responsibilities to the cabinet which relate to "access" issues. For example, the officer should consider transferring both enforcement of the Minority and Women Business Enterprise Executive Order and ordinance and the Boston Jobs for Boston Residents Executive Order and ordinance to the proposed Human Rights Commission. However, the advantages and disadvantages of such a move should be investigated more thoroughly.

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2. **CREATION OF A HEALTH AND HUMAN SERVICES HOT LINE** A multilingual, user-friendly hot line for health and human services (or all city services) should be established so that Boston residents are aware of the resources and services available in the city.

Problems/Issues with the Current Delivery System

Helping residents navigate various public and private bureaucracies to find solutions that address their individual problems or issues is a major function of many human service organizations. "Navigation" or information and service referrals seems to be a function of many of the City's human service departments as well, i.e., the Commission on Affairs for the Elderly and the

Veterans' Services Department assist clients gain access to public benefits; the Commission for Persons with Disabilities helps coordinate transportation services for the disabled and the Emergency Shelter Commission assists the homeless with placements with area shelter providers.

It seems, however, that informational and referral services are not coordinated between each City department or with community-based agencies. There is no one phone number or city, state, or federal department that a Boston resident could call to receive assistance with a human service problem. For example, where would a young parent find out information about Head Start programs or how could someone who needs addiction services find out whether city operates any detox. beds?

Each individual City department handles problems and case work for their constituencies (veterans, the disabled community, etc.) without any coordination with each other. In addition, the community representatives we spoke to said that city agencies and community-based organizations don't know what services or programs each other provides. The community representatives also said the complex web of services offered by city, state, and federal agencies and community-based and private organizations are inaccessible because residents don't know that they exist or how to access them. Vital information about human service programs and services may also not be accessible to city residents who do not speak English. The Commission on Elderly Affairs, for example, said it is difficult to reach linguistic minority communities and currently has no Spanish or Asian language speaking caseworkers on staff. Since health and well being are usually at stake with regard to reaching these services, it is even very important that the information to all residents be readily available and extremely accessible. It is also essential that citizens and the City departments and agencies that serve citizens are aware of those sources and services that are available to city residents.

National Models

Only a few cities surveyed operate separate a human service hot line or referral and information lines. Instead, most municipalities, operate City Service centers or information lines which "serve as a bridge between citizens and their city government" with respect to any questions, complaints or service requests relating to city government. Arlington, VA, Dallas, TX, and Charlotte, NC all have "community action centers" that serve as a clearinghouse for general constituent information. A constituent may call these action centers with a range of questions--from how to get a pot hole fixed to where to find support services for pregnant teens. Kansas City has established an "Action Center" that acts as a the constituent services line for each department within City and frees up those departments from having to answer constant constituent calls (a brochure is attached). They even give callers an estimated time when the problem will be resolved and send them post cards asking their satisfaction with the center.

Separate human service information and referral services are operated in Phoenix and Chicago. Phoenix's 24 hour "Community Information Referral Service" for human and social services has existed for 24 years. A non-profit agency operates the Referral Service; the United Way partially funds it and it receives a very small subsidy from the City of Phoenix. The Service lists all city, state, federal and non-profit social service programs. The Service received approximately 14,500 calls in February. Chicago operates a 24 hour "communication center" as part of the Emergency Services division of the Department of Human Services. The center keeps an updated human service directory and also assists residents with receiving emergency assistance. During the winter months, the center acts proactively by sending teams of City workers out on a regular basis to locate homeless persons in need shelter or food.

Suggestions for Change

The Task Force recommends that the City either establish: an action center to deal with all issues and problems relating to city government or that the City establish a separate human services information and referral hot line, based on the problems with the current delivery system and the information from other cities. Regardless of which one is established, the service should be multi-lingual and user-friendly.

If a separate hot line is established, the Health and Human Services Secretariat should be responsible for collecting information on all current city, state, federal, nonprofit, and private programs available to residents of Boston. The information should be compiled in an inventory or database which could be updated regularly. The Office of Jobs and Community Services has already begun to collect information for a job training programs data base. Perhaps their model could be replicated for an entire human services data base.

The hot line should utilize existing city personnel who are currently performing case work or constituent services for individual departments. The Task Force feels strongly that no new personnel need to be hired to staff the proposed hot line.

The hot line should also be widely advertised through social service agencies, on public transportation, and through the municipal TV channel.

A new hot line or action center would significantly solve the problems with the current delivery system in the following ways:

1. Constituent and case work type functions could now be coordinated by the entire human services secretariat instead of each individual City department which would mean greater personnel efficiencies. In addition, individual departments would also be freed from dealing with an overwhelming number of constituent-type calls and be able to focus more on service delivery and policy making.

2. Compiling a directory or data base of human services would make community-based organizations aware of available services from other such organizations as well as those provided by the City.

3. Constituents, such as linguistic minorities, who have been left out of the information loop would now be able to receive information on many human service programs from one phone number.

4. Making services which community-based organizations provide more widely known may decrease the reliance of constituents on direct city services and increase the usage of those community-based organizations which are generally more suited to assist individual issues or problems. Many of the community representatives we spoke with during our interview wished that the City utilized existing community-based programs to address a need rather than creating a new City program to address that need. A hot line or information and referral center may facilitate the dissemination of those constituent services back into the neighborhoods.

3. **CONSOLIDATION OF ALL HUMAN SERVICE DEPARTMENTS -** The Health and Human Services Cabinet Officer should explore consolidating all of the City's human service departments and agencies into one department with several divisions.

Problems and Issues with the Current Delivery System

The provision of services for youth and families has suffered from a lack of coordinated planning and setting of service priorities among the various human service commissions and agencies and with other City departments (including the Police Department, the School Department, the Boston Housing Authority, and the Parks Department). As a result, the current delivery system is fragmented and uncoordinated.

There is an unnecessary duplication of effort even though there is fierce competition for funding dollars and the need for human services exceeds the current supply. Too many departments carry out the City's human service functions. The Youth and Family Services Task Force was surprised to learn how many different City agencies directly or indirectly provide human services to Boston residents. The Public Health Division of the Department of Health and Hospitals, the Emergency Shelter Commission, the Veterans' Services Department, Healthy Boston, the Office of Jobs and Community Services of the Economic Development Industrial Corporation, the Commission for Persons with Disabilities, Boston Against Drugs, and the Boston Community Centers all either operate youth and family (or human services) or support programs and services for various constituencies. Some departments and agencies serve the same constituencies or operate similar programs. For example, there are at least eight (8) different city agencies which provide services to at-risk youth. All of these agencies lack an overall tie-in with either a central policy maker or a planner who can decide which department or agency should provide which services.

As mentioned elswhere, the Task Force also observed that most of the City's human service agencies seem to perform some or all of the following six functions: enforcement of laws and regulations, ombudsman services to individuals, direct services and indirect services via contracts to other organizations to provide services, outreach activities to make citizens aware of their rights and available services, and advocacy activities to ensure that the availability of resources serve specific constituencies or needs (consolidation of enforcement and ombudsman services are discussed in a separate recommendation). Given the fact that there probably won't be any additional monies dedicated to human service functions in the future, having each individual department continue to perform each of the above referenced functions does not seem efficient or cost effective.

Fund seeking by individual City agencies and community-based organizations has become a de facto planning mechanism for service delivery. In the past, No one in the City Administration has given direction to City agencies as to whether it is appropriate for them to seek funds for a specific program or service. This lack of coordination has cost Boston federal dollars and has hurt our reputation with the federal government. A few years ago, when federal funds were made available for antidrug programs, several different City agencies applied for the same competitive grant to the dismay of officials from the Department of Health and Human Services. The officials were confused as to which application truly represented the City of Boston and Boston lost out on being awarded a substantial amount of funds.

There is little communication between the departments and agencies; some departments are not even aware of what programs and services other departments are providing. This situation is particularly true for the School Department, the Boston Housing Authority and the Boston Community Centers. Each has developed their own human service delivery system with very little coordination with each other. For example, each department is operating its own gang deterrence projects but all of departments serve basically the same population.

The City has never decided what its area of responsibility is with the respect to human services and therefore has not communicated a coordinated strategic plan to community-based organizations either. So, City departments end up competing with themselves and competing with community-based agencies for the same source of limited available funds. For example, the Office of Jobs and Community Services gives federal Community Block Grant funds to both the Boston Community Centers and community-based organizations to provide similar programming such as adult education and literacy programs. The community representatives with which the Task Force spoke commented that they will often provide programs for several years only to have their funding cut so that the City can operate the exact same program themselves.

In conclusion, the City is lacking a coordinated strategy, leader or overall structure which ties human services together into a cohesive, logical and well communicated service delivery plan.

National Models

According to a survey conducted by the U.S. Conference of City Human Services Officials organization, most of the cities which they surveyed have either:

- a separate human service department within city government;
- a human services division within a larger city department;
- an individual within the city government responsible for human services issues.

Some of the cities surveyed indicated that they use of combination of one or more of the above referenced organizational structures.

A number of cities that have a reputation of having an effective and efficient human services organizational structure were contacted for further information including Chicago, IL, Jacksonville, FL, Kansas City, MO, San Antonio, TX, and Arlington, VA. Regardless of the place the human services department occupied within the city's administration, all of these cities have consolidated most of their human service functions into one department. Seattle, WA and Cambridge, MA, and Chicago, IL have recently consolidated their human service functions into one agency to deal with the same issues and problems that Boston is currently facing.

Cambridge

In 1979-80, the City of Cambridge sounded like the City Boston of today with respect to human service issues. A proposal for a new Department of Human Services for Cambridge noted that the city, at that time, "ha(d) no mechanism for deciding what services are most important, for coordinating those services that are implemented, for making sure that each program or service ha(d) clear goals and (was) making reasonable progress in accomplishing them, for reviewing staff performance, or for responding to changing needs in the communities." Other administrative problems included: line of accountability and authority not always being clear, few clear and consistent criteria for the allocation of resources across the city.

Based on these problems, the city manager developed a Department of Human Service Programs. The goals of the reorganizing all of the different human service functions into one department were to: "provide leadership in human services within the city and to insure the rapid flow of human service resources directly into the city's neighborhoods." The consolidation was also meant to establish a more rational personnel structure, decrease the fragmentation of services, distribute more evenly advocacy and coordinating responsibilities and allow for broad-scale citizen input to be funneled into one city administrative unit.

The Department was organized into seven divisions: administration, planning and development, community and youth, recreation, aging services, child care, and a community learning center (for GED and adult education). The department also plans to add an 8th division for work force development this year.

Seattle
Seattle reorganized its human services department in 1992 by "relocating divisions and units into one department" and integrating "housing policies with human service efforts." Seattle indicated that their reorganization effort was partially in response to the warning signal from the civil disturbances in Los Angeles which they believe told the country that the needs of residents living in urban communities were not being met. In response, Seattle created a more integrated and more committed approach to addressing those needs.

Seattle's Department of Housing and Human Services is divided into 5 divisions: a program support division, an Office for Education, a Family and Youth Services Division, a Division on Aging and a Division on Housing and Community Services. The Family and Youth Services Division includes early childhood education, drop out prevention, family support centers, and homeless youth services.

Chicago
In 1978, Chicago created the Department of Human Services by ordinance "to develop a unified approach to the planning and delivery of human services in all city neighborhoods." Previously, the delivery of human services had been organized based mostly on how the city received funding for different programs. For example, the Housing and Community Development Coordinating Committee was appointed in the '70s to administer federal Community Block Grant (CDBG) funds. This past organizational structure in some ways resembles Boston current structure because departments organize around funds they receive. For example, the Office of Jobs and Community Services primarily administers Job Training Partnership Act and CDBG funds.

Suggestions for Improvement

The Mayor has an important opportunity to establish the context and priority of human services within the city. With a clear, ongoing commitment to these programs, the context is set for City agencies and community-based organizations to achieve greater collaboration and partnership in the provision of health and human services.

With the new cabinet structure, the City must establish and focus on a coordinated program planning function which sets the priorities for services, requires interdepartmental coordination, allocates resources in accordance with the priorities and evaluates the achievements in accordance with the program priorities and goals.

To improve coordination and allow for planning, the City should consider adopting a model whereby one department is responsible for the delivery of all services, like in most other cities. The department could be organized into several divisions, either by functions (direct services, referrals and information, etc.) or by programming (youth and child care programs, elderly and vets. services, etc.) (see the attached organizational charts)

Strategic planning and coordinating of services also could be placed under the responsibility of the Health and Human Services cabinet officer. However, unless the current delivery system is consolidated, a fragmented and duplicative service delivery model will still exist.

A specific organizational structure cannot be recommended without further exploration. Before adopting any new model, the City should consult with existing departments, community-based organizations, and the constituencies which the City currently serves regarding the services to be provided by the department and the department's organizational structure.

Background

Our analysis of the City's youth and family agencies led us to observe that each of these organizations performed some or all of the following six functions:

1. **Enforcement** of laws and regulations
2. **Ombudsman services** to individuals (e.g., health care services)
3. **Direct services** to individuals
4. **Indirect services** to individuals via contracts to other organizations to provide services
5. **Outreach** activities to make citizens aware of their rights and available services
6. **Advocacy** activities to ensure the availability of resources to serve specific needs

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1. **Enforcement**
   Adequate protection of human rights ultimately requires a legal enforcement capability. While we do not wish to encourage duplication of existing law enforcement capabilities, we do want to make two observations:

   - It is not uncommon for municipal governments to have some enforcement capabilities.
   - A realistic appreciation of the City's limited resources makes clear that good intentions aside, the actions of the Mayor send important signals to the community on the value of human rights. One way the Mayor could "walk the talk" of human rights is to seek home rule authority to enforce important pieces of human rights legislation.

2. **Ombudsman Services**
   Helping citizens navigate various public and private bureaucracies is a major function of any youth and family services organization, and rightly so, in our judgment. At present, however, these services are not coordinated with each other, not withstanding the City's "x4500" service.

We strongly recommend that the Mayor's Office explicitly acknowledge the importance of ombudsman services and formulate a management strategy for providing them more effectively and more economically through coordination and control.

The City should also establish an ombudsman or hot line service for youth and family services. While services may be available in the City, they must be known and accessible by all. The hot line will serve to expand the role of youth and family services beyond the existing agencies and commissions by being more accessible and broad based to meet the requests of the citizens who may currently get lost in the system.

By so doing, we believe that the City will be able to make this service more widely available to all its citizens, thus, simultaneously meeting the special needs of particular groups of individuals and the currently unmet needs of average citizens who do not fall into a group now represented by a "commission."

3. **Direct Services**
At present, many small City human service agencies provide direct services. While we readily acknowledge the need for this type of case work and applaud the accomplishments of resource-strained organizations, we also recognize that resource realities will never permit these organizations to have budgets adequate to the case demand.

Accordingly, we recommend that limited City resources be diverted from providing individual care services wherever possible to providing ombudsman services designed to help citizens of Boston tap resources available elsewhere in the community and to outreach services designed to make all citizens aware of their rights and responsibilities of the institutions that serve them.

4. **Indirect Services**
Many City agencies contract out human services and many other work under contract to the state and federal government. We strongly recommend that the City undertake a review of its procurement function to identify opportunities to reduce the costs of bureaucracy and red tape. For example, must service providers provide monthly status reports, when quarterly reports might be more relevant and less costly? Must contractors follow purchase guidelines the City uses, or might they be permitted to use methods they find more economical for their circumstances?

Evidence throughout the public and private sectors suggests the potential for economies of more rational procurement are substantial.

5. **Outreach**
As noted earlier, the provision of case services (often duplicating services available either at the state level or through private organizations) implicitly diverts resources from outreach activities.

We recommend that the new manager(s) of human services formulate an explicit strategy regarding outreach objectives designed to make human rights protections available to all the citizens of Boston.

6. **Advocacy**
The City of Boston can play an important role as an advocate on behalf of neglected citizen groups to ensure awareness of and availability of resources to serve their unmet needs. While we have been positively impressed with the sincerity and the effectiveness of the advocacy services, we nonetheless conclude the absence of a coherent strategy for managing the limited resources available for advocacy is a serious problem.

Accordingly, we recommend that the Mayor's Office articulate an explicit strategy for coordinating its advocacy activities.

Additional Recommendations

- **Priority Commitment**

The Mayor should take a leadership role in setting a priority in meeting the challenges facing the City's youths and families, i.e., violence, gangs - not only do City agencies need to communicate and cooperate, so do community-based agencies who serve the City's residents. In the past, community-based organizations have been called upon by mayors under the guise of creating partnerships with the community or on a crisis by crisis basis. Unfortunately, in both situations, the relationships between the City and the community-based organizations have faded once the crisis has abated or the partnership deteriorates. Ongoing relationships should be established with community-based organizations so that issues like violence can be addressed without competing interests slowing progress. Our interviews revealed that community-based agencies do not view the grant funding process as a level playing field between the City, its agencies and CBOs. Collaborations between and among City agencies and community-based organizations could be used to leverage additional grant and external funding.

The Mayor should demonstrate publicly his support for youth and family issues by making regular visits to community and City programs with other cabinet members and CEOs in the private sector. Visits would also publicize and reward the work of the particular highlighted agency. The Mayor has done this in the past by visiting and promoting Boston Public Schools and has made a similar commitment to hold cabinet meetings in the community.

The City should define the roles that City agencies will play in youth and family services. Community-based organizations feel that in the past, City agencies have competed with them for both clients and funding.

- **Program Planning**

A planning council should allocate City funds corresponding to the City's programming priorities. At the beginning of each fiscal year, the City should decide what portion of City dollars should be dedicated to which issues, such as day care, violence prevention, etc. At the end of each fiscal year, programs should be monitored and evaluated so that programs that do not produce are not continually funded from year to year based on historical precedent.

Planning should also include advocacy functions. The City has not been aggressive enough in shaping federal and state grant programs nor has the City been able to mitigate the effect of mandated state/federal requirements through compensatory statutory language or rules changes.

Agencies whose main mission is not youth and family services, but who do perform some delivery of services to youths and families (i.e., the Parks Department, which administers the youth summer jobs program), should be included in a planning function. There needs to be a stronger connection between economic development and youth and family services' programming. For example, when EDIC leases space to industries, they should negotiate more job training programs with those industries in conjunction with JCS. In addition, the Boston Public Schools and the Boston Housing Authority each have created their youth and family programs which duplicate other agency efforts. It is important that members of the Education and Housing Cabinets be a part of the youth and family services planning configuration.

Programming should not be done without a full community needs assessment. Healthy Boston initiated a needs assessment tool which could be strengthened and enhanced. Service delivery should follow the gaps or needs in services illustrated in the assessment tool. The link between the Healthy Boston needs assessment survey and the City administration should be strengthened.

- **Improvement of Service**

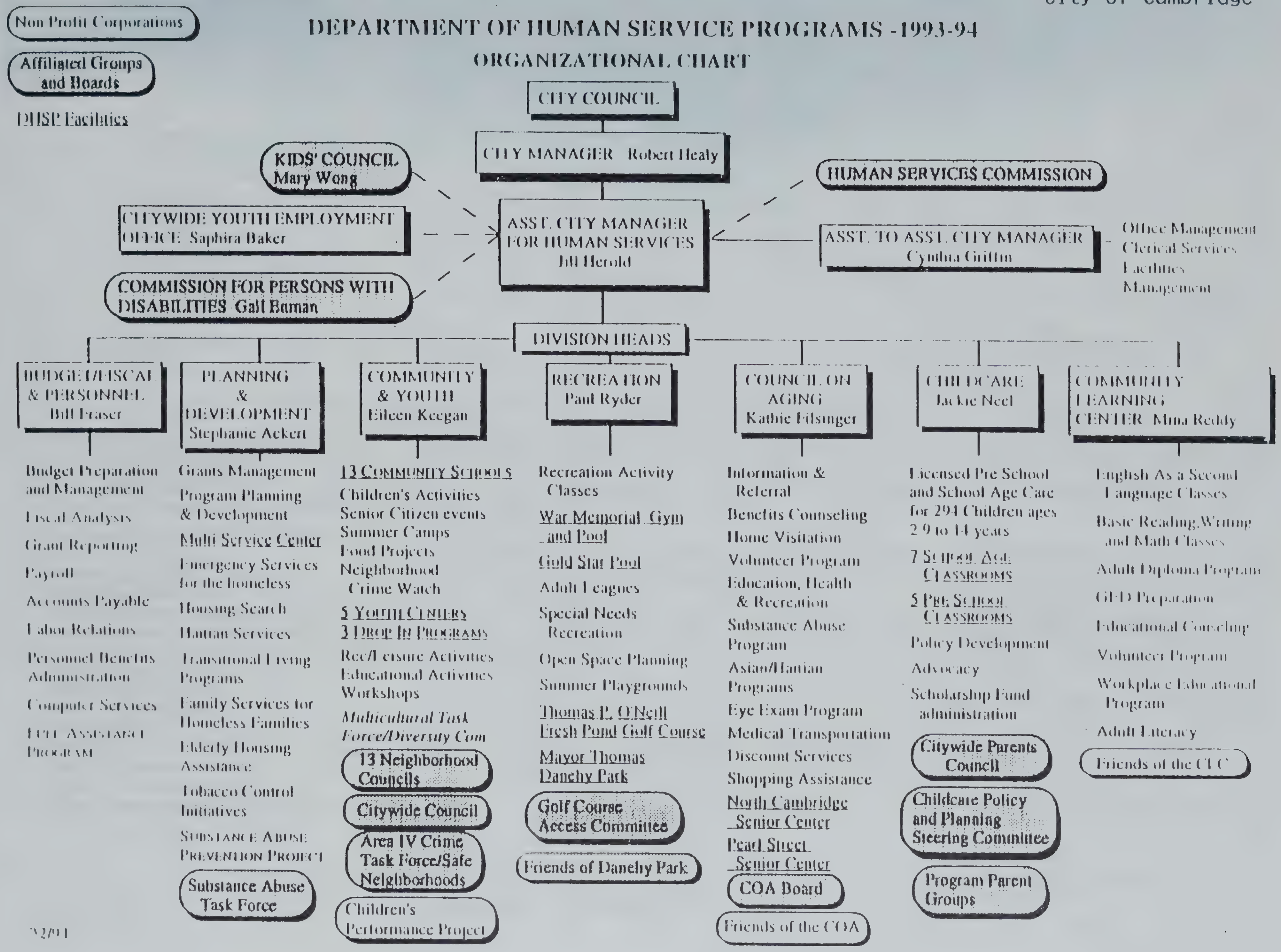
In conjunction with the hot line, information on all programs or services available to youth and families should be collected in a data base and be accessible to City and community-based agencies to help improve communication and coordination between and among these agencies.

City resources, particularly capital resources, should be more available for youth and family services' programs. For example, GED classes could be conducted in City buildings such as City Hall or schools. There also could be more interactive programming on Ch. 23. In addition, the City should explore expanding the transportation services currently available for elders to serve youth who need to get to and from community centers, etc. safely.

Through the grant making process, the City should work community based organizations to investigate techniques for increasing capacity of service delivery systems.

City of Cambridge

DEPARTMENT OF HUMAN SERVICE PROGRAMS - 1993-94
ORGANIZATIONAL CHART



Non Profit Corporations

Affiliated Groups and Boards

DHSP Facilities

CITY COUNCIL

CITY MANAGER Robert Healy

ASST. CITY MANAGER FOR HUMAN SERVICES Jill Herold

KIDS' COUNCIL Mary Wong

CITYWIDE YOUTH EMPLOYMENT OFFICE Saphira Baker

COMMISSION FOR PERSONS WITH DISABILITIES Gail Boman

HUMAN SERVICES COMMISSION

ASST. TO ASST. CITY MANAGER Cynthia Griffin

- Office Management
- Clerical Services
- Facilities Management

DIVISION HEADS

BUDGET/FISCAL & PERSONNEL Bill Fraser
- Budget Preparation and Management
- Fiscal Analysis
- Grant Reporting
- Payroll
- Accounts Payable
- Labor Relations
- Personnel Benefits Administration
- Computer Services
- FUEL ASSISTANCE PROGRAM

PLANNING & DEVELOPMENT Stephanie Ackert
- Grants Management
- Program Planning & Development
- Multi Service Center
- Emergency Services for the homeless
- Housing Search
- Haitian Services
- Transitional Living Programs
- Family Services for Homeless Families
- Elderly Housing Assistance
- Tobacco Control Initiatives
- SUBSTANCE ABUSE PREVENTION PROJECT
- Substance Abuse Task Force

COMMUNITY & YOUTH Eileen Keegan
- 13 COMMUNITY SCHOOLS
- Children's Activities
- Senior Citizen events
- Summer Camps
- Food Projects
- Neighborhood Crime Watch
- 5 YOUTH CENTERS
- 3 DROP IN PROGRAMS
- Rec/Leisure Activities
- Educational Activities
- Workshops
- *Multicultural Task Force/Diversity Com*
- 13 Neighborhood Councils
- Citywide Council
- Area IV Crime Task Force/Safe Neighborhoods
- Children's Performance Project

RECREATION Paul Ryder
- Recreation Activity Classes
- War Memorial Gym and Pool
- Gold Star Pool
- Adult Leagues
- Special Needs Recreation
- Open Space Planning
- Summer Playgrounds
- Thomas P. O'Neill Fresh Pond Golf Course
- Mayor Thomas Danehy Park
- Golf Course Access Committee
- Friends of Danehy Park

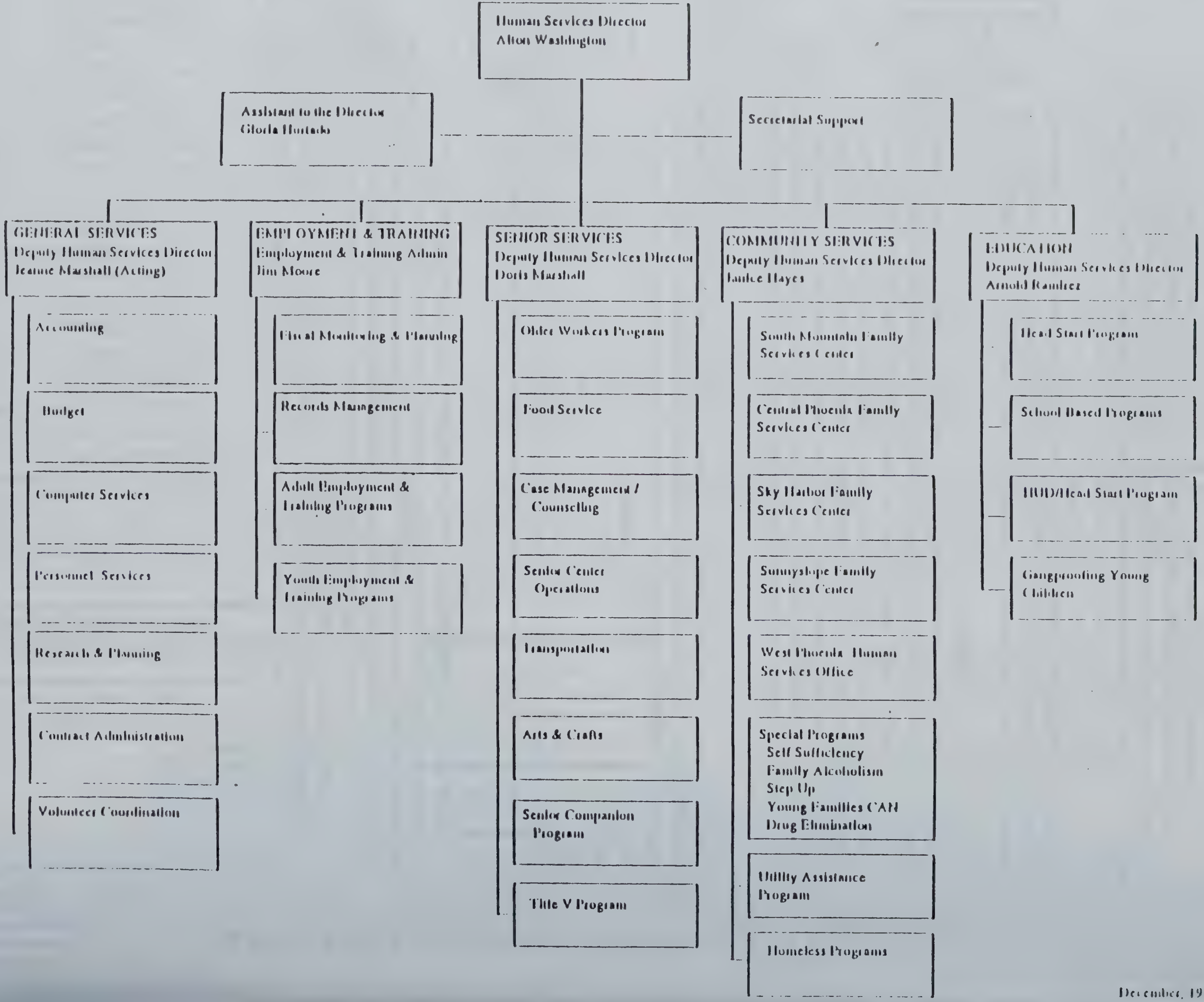
COUNCIL ON AGING Kathie Filsinger
- Information & Referral
- Benefits Counseling
- Home Visitation
- Volunteer Program
- Education, Health & Recreation
- Substance Abuse Program
- Asian/Haitian Programs
- Eye Exam Program
- Medical Transportation
- Discount Services
- Shopping Assistance
- North Cambridge Senior Center
- Pearl Street Senior Center
- COA Board
- Friends of the COA

CHILDCARE Jackie Neel
- Licensed Pre School and School Age Care for 294 Children ages 2.9 to 14 years
- 7 SCHOOL AGE CLASSROOMS
- 5 PRE SCHOOL CLASSROOMS
- Policy Development
- Advocacy
- Scholarship Fund administration
- Citywide Parents Council
- Childcare Policy and Planning Steering Committee
- Program Parent Groups

COMMUNITY LEARNING CENTER Mina Reddy
- English As a Second Language Classes
- Basic Reading, Writing and Math Classes
- Adult Diploma Program
- GED Preparation
- Educational Counseling
- Volunteer Program
- Workplace Educational Program
- Adult Literacy
- Friends of the CLC

12/94

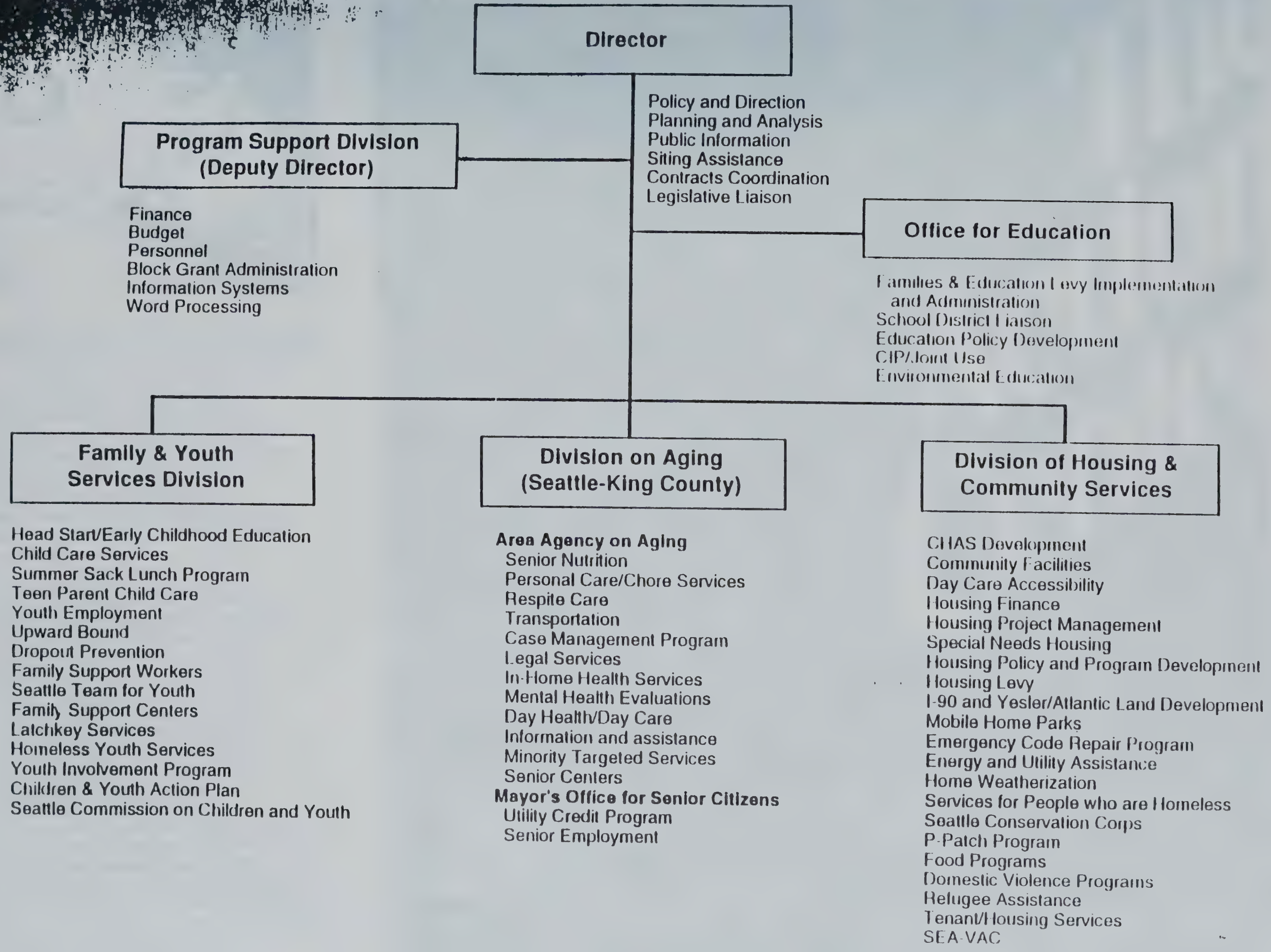
Human Services Department


Human Services Director
Alton Washington
Assistant to the Director
Gloria Hurtado
Secretarial Support
GENERAL SERVICES
Deputy Human Services Director
Jeanne Marshall (Acting)
Accounting
Budget
Computer Services
Personnel Services
Research & Planning
Contract Administration
Volunteer Coordination
EMPLOYMENT & TRAINING
Employment & Training Admin
Jim Moore
Fiscal Monitoring & Planning
Records Mangement
Adult Employment & Training Programs
Youth Employment & Training Programs
SENIOR SERVICES
Deputy Human Services Director
Doris Marshall
Older Workers Program
Food Service
Case Management / Counseling
Senior Center Operations
Transportation
Arts & Crafts
Senior Companion Program
Title V Program
COMMUNITY SERVICES
Deputy Human Services Director
Janice Hayes
South Mountain Family Services Center
Central Phoenix Family Services Center
Sky Harbor Family Services Center
Sunnyslope Family Services Center
West Phoenix Human Services Office
Special Programs
Self Sufficiency
Family Alcoholism
Step Up
Young Families CAN
Drug Elimination
Utility Assistance Program
Homeless Programs
EDUCATION
Deputy Human Services Director
Arnold Ramirez
Head Start Program
School Based Programs
HUD/Head Start Program
Gangproofing Young Children

December, 1991

Department of Housing and Human Services

City of Seattle



Director

- Policy and Direction
- Planning and Analysis
- Public Information
- Siting Assistance
- Contracts Coordination
- Legislative Liaison

Program Support Division (Deputy Director)

- Finance
- Budget
- Personnel
- Block Grant Administration
- Information Systems
- Word Processing

Office for Education

- Families & Education Levy Implementation and Administration
- School District Liaison
- Education Policy Development
- CIP/Joint Use
- Environmental Education

Family & Youth Services Division

- Head Start/Early Childhood Education
- Child Care Services
- Summer Sack Lunch Program
- Teen Parent Child Care
- Youth Employment
- Upward Bound
- Dropout Prevention
- Family Support Workers
- Seattle Team for Youth
- Family Support Centers
- Latchkey Services
- Homeless Youth Services
- Youth Involvement Program
- Children & Youth Action Plan
- Seattle Commission on Children and Youth

Division on Aging (Seattle-King County)

Area Agency on Aging
- Senior Nutrition
- Personal Care/Chore Services
- Respite Care
- Transportation
- Case Management Program
- Legal Services
- In-Home Health Services
- Mental Health Evaluations
- Day Health/Day Care
- Information and assistance
- Minority Targeted Services
- Senior Centers

Mayor's Office for Senior Citizens
- Utility Credit Program
- Senior Employment

Division of Housing & Community Services

- CHAS Development
- Community Facilities
- Day Care Accessibility
- Housing Finance
- Housing Project Management
- Special Needs Housing
- Housing Policy and Program Development
- Housing Levy
- I-90 and Yesler/Atlantic Land Development
- Mobile Home Parks
- Emergency Code Repair Program
- Energy and Utility Assistance
- Home Weatherization
- Services for People who are Homeless
- Seattle Conservation Corps
- P-Patch Program
- Food Programs
- Domestic Violence Programs
- Refugee Assistance
- Tenant/Housing Services
- SEA-VAC

Service to city officials

The Action Center is valuable to both elected officials and to city staff members because it helps eliminate duplicate complaints and reduces work interruptions. The majority of citizens' questions can be answered by the Action Center staff itself, and complaints can be handled by citizen aides rather than by more highly paid administrators.

Statistics from the Action Center provide another service. The center's computerized data system is probably the most sophisticated management reporting method of any citizen assistance office in the nation, and is valuable in several ways. The data can indicate short-term trends or identify potential problems. The statistics also can be used to develop budgets, allocate resources, schedule workloads and evaluate performance.

The computer system provides weekly and monthly management reports that describe the number, nature, and geographical breakdown of all citizen requests. These reports also keep track of each department's response time for requests forwarded by the Action Center, and tabulate citizen evaluations of quality and speed of

How the Action Center came about

The Action Center was one of several ideas to emerge from a 1973 study by the Midwest Research Institute to determine how communications might be improved between City Hall and citizens, and within City Hall itself. The City Council endorsed the idea, studied various ways of implementing it, and in October of 1973, decided upon the Action Center. It went into operation about five months later. The Action Center, which is part of the city manager's office, currently has a nine-member staff and an annual budget of $175,000.

Citizens can request help or report a problem by calling the Action Center from 8 a.m. to 5 p.m. weekdays at (816) 274-2222, or can write or visit the Kansas City Action Center office on the first floor of City Hall. There also is a recorded answering service after office hours.

The Action Center— a direct line to city government

The Action Center

The Action Center The Action Center The Action Center The Action Center

City of Boston
Thomas M. Menino, Mayor